X 4

192

File No 81-24

Serial Nos 5, 7210

Previous References (ml

ml 142-17 SR 122
117 22 SR 1, 3, 4, 7, 8
7, 10, 11, 14, 16, 17
22, 8, 4, 2, 1, 05288

Later references

ml 81-24 SR 14, 15, 16, 19 & 20
ml 162 26 SR 1
ml 48-26 SR 12, 37, 45(a) & 52

Preserve

GENERAL AND REVENUE SECRETARIAT

Serial Nos

Part B for July 25

SUBJECT

Report of Mr B S Raghavendra Rao on the finances of the Irrigation Board, Mysore

10 To, The Chairman, Irrigation Board Mysore, the Comptroller and the President, Bellary Municipal Council, Mysore
No 2 574-6/d 25 7-25

Returns the report referred to above with certain observations

D.O. letter No 13344
19 2 25 from the
Chairman Imp B^d
mysore

This office letter No
L 6347 d 28 2 25
draw not forth timeline
at the time of
recording this file
may the file be
recorded without
these communication
(vide page 21 of
the office note)

JAS
8-4-26

GENERAL AND REVENUE SECRETARIAT

Municipal

NOTES

File No

FILE HEADING

Report on the finances of the Hyderabad City Improvement Trust Board

From

The Comptroller in Nizam

No WAD 683 Dated 12 24 Received 6 12 24

Diary No 3667 | Encls 1 Report Spare Copies | Serial No 5

BRIEF ABSTRACT OF LETTER

Forwards in original the report of Mr B S Raghavendrachar, on the finances of the Trust Board as required by G.O. dated 28-6-24.

NOTES AND ORDERS

Submit both references

[illegible] 2 Jan for [illegible] 1924-5 [illegible] 117-2 & 25/6/24 Mr Raghavendrachar was appointed as Special Officer for 3 months to examine the Accounts & Operations of the Trust Board & remedy the serious defects noticed & place the financial Condition on a satisfactory footing.

Notes—First Sheet

W.P.1521—GPB—30,000—1.8.21

Serial No.

3 The report is divided into 2 parts

4. Part II is not forwarded as it is made up of minor irregularities observed during the detailed audit of 6 months' accounts and could easily be disposed of by the Comptroller's office and Trust Board

5 Part I is alone forwarded. This is divided into 2 Sections A and B. Section A dealing with the state of the works including Acquisition, Finances of the Board and working of the Regulation, defects observed in them -- and suggestions for remedying or improving the same, also the state of the existing registers and improvement thereon, question of reduction of Establishment, increasing the strength of the Board, appointment of Audit Committee and duties thereof, also defining the powers of the Chairman and the Board in regard to several matters

Note. 6 Section B deals with registers, forms and major works executed by the Board and important or major irregularities noticed in them and measures necessary to rectify the same.

7 The several statements referred to in these Sections are embodied in another volume (P.U.D. XII)

8 The report opens with a retrospect detailing the object with which the Trust Board was created, its existing composition and sphere of its activities from time to time. The [illegible] on which the present activities [illegible] [illegible]

(a) Acquisition of properties, and

(b) Construction of roads [illegible]

(c) [illegible], (d) [illegible]

Serial No

sewage works, (iii) Works of public convenience and attractions, (iv) Special works, (v) Some productive works and (vi) other works of a miscellaneous nature

It is stated that no sufficient attention has been paid to the collection of revenue, -- audit of accounts, housing the poor, extension of the drainage or maintenance of these works and the programme was not adhered to notwithstanding Government instructions with the result -- that additional grants had to be sanctioned by Government (Paras 6-8 of the Report)

In passing orders on the budget for 1924-25 Government in their Order No L.1255-9/M1.117-23-79 dated 9th August 24 have stated that the expenditure in excess of Government grants should on no account be incurred before the amount expected from other sources and from which an expenditure has to be met do actually realised and credited to the Treasury. This has been reiterated in their review of -- the Administration Report of the Board for 1923-24

Registers - It is stated that the registers are not maintained on up-to-date system of a [illegible] Division and not all the registers under the existing system are properly maintained or kept up-to-date, that the registers relating to the expenditure on Works and on [illegible] are in confusion and not authoritative. The entries have not been verified [illegible] no correct classification or allocation of charges and the charges are not -

Serial No

times misdebited to avoid audit objections The 'C' Register which is the important register of a D P W Division has not been properly maintained There are excesses in sub-heads and there are even unsanctioned sub-heads

12. There is no proper register of sanctioned estimates In supplemental estimates no reference is made to the original estimates and cancellation of original estimates are not noted when estimates are revised There are some registers with incomplete entries and not reviewed by any Gazetted Officer

13 The Special Audit Officer is of opinion that each scheme should be self contained The works should be grouped into remunerative and unremunerative and separate registers should be maintained for capital and revenue accounts and revenue yielding works

14 In para 14 (page 9) the Special Audit Officer suggests for adoption a broad classification of works undertaken by the Board and states that 2 registers should be maintained, one for works sanctioned by Government and the other by the Board, and separate register may be maintained for unsanctioned works also undertaken and the registers should be reviewed by the Engineer Officer Suggestions are also given for filling estimates (page 10) ~~[illegible]~~ in Column 5 of statement new registers to be opened are suggested in addition to such other registers required to be

NOTE—Contd Sheet

Serial No

the peculiar demands of the Board and the office has been assisted in opening the new registers. The registers required to be adopted are as follows - (Para 38 page 24)

(1) Scheme Register - This should be newly opened This register will enable - the Board to note the progress of acquisition with reference to each - - scheme

(2) Compensation Register - The present register to be continued and posting -- made simultaneous with the passing of awards and attested by a Gazetted Officer The particulars required to be entered are given in para 39

(3) Claims Register - To be retained and Index Book now in use to be abolished.

(4) 'C' Register - Acquisition estimates to be posted in this register and progress of expenditure watched through the same

(5) Trust Property Register - Not much -- progress is made in bringing this register up-to-date which consists of - 4 volumes Early action to be taken in the matter

16 It is stated that for want of a correctly posted register, the Special Audit Officer - could not post the correct figures under Assets in the statement showing the finance of the --

Serial No

Board. (Statement D in Part III attached to the Report (page 15))

16 As it was reported that the progress made by the arrear clearing staff up to end of September 1924 in posting of entries &c was not satisfactory, the Chairman of the Trust Board has been requested to arrange for better progress being shown

17 WORKS - Irregularities noticed in regard to these are--

I General

(a) The 'C' Registers have not been posted correctly for years together,

(b) Works undertaken without estimates and works not included in estimates have also been executed

(c) For some works fresh estimates were got sanctioned without reference to original estimates and the outlay was charged to any one of them,

(d) Maintenance and repair estimates are charged to original estimates

(e) The Trust Board has not handed over to Municipality completed works required handing over, and

(f) No completion report is sent for works completed

Action to be taken in regard to works in progress is indicated in page 12 of the report

II Drainage Works - No expenditure is incurred on works proper. Only house connection

works ~~undertaken~~ up in 5 drainage areas. The - works may be closed and handed over to Municipality unless funds are available

III Unworked estimates amount to Rs 48 - lakhs and there are 262 works in various stages and works are added from year to year without - reference to funds and programme and addition - is thus made to the works (Page 14)

The Special Audit Officer recommends that the existing works and estimates should be closed as they are and everything to be started - - afresh It is stated that the continuance of these is undesirable as the 'C' Register does not give actual state of affairs He adds -- that the future programme is not touched upon as the Chairman said that this could only be decided after a decision is arrived at as to what should be done with the works on hand

IV <u>Acquisition</u> - As regards this, it is stated that -

(a) Awards passed years ago remain unpaid (para 21) The balance remaining unpaid at any time cannot properly be checked though a list is prepared as the accuracy of the list cannot be verified for want of a register Schonevar or Blockwar

(b) Properties are not acquired according to definite programme and the budget programme is not adhered to, the acquisition depending on the caprice of the Chairman and -

Serial No

willingness of the parties concerned. (para 24)

(c) Acquisition is not based on sound - - financial lines or convenience to people or so as to lend attraction to the City (para 25)

(d) Properties are acquired by mutual agreement though they may not have been included in the programme though they are even beyond -- the powers of sanction of the Chairman and not emergent as contemplated under Section 32 (Para 26) They, also throw the programme out of - gear by bringing new commitments into existence

(e) A sum of Rs. 20 lakhs remains to be spent on 17 sanctioned acquisition schemes -- It ~~takes~~ 40 years to complete the programme as the Board can utilise only Rs 50,000 for this a year out of the Government grant of Rs 1½ - lakhs

(f) Most of the schemes were sanctioned - years ago and the properties are being acquired on the strength of these Though the early disposal of the pending cases and payment of - compensation or withdrawal in important cases was promised by the Dewan with reference to -- the resolutions brought forward in the Legislative Council and the Dewan also said that -- necessary instructions will be issued to complete proceedings and to pay compensation in - old cases and to settle the programme for 2 or 3 years with reference to funds, no serious -- attempt is made to liquidate the liability or

Serial No

in some cases no further action taken after awards were passed and the committee appointed to decide as to cases which may be withdrawn has not done much work It is stated that the Clmmittee may be instructed to actually visit the spots where the schemes are in progress and limit the acquisition to those improvements, the others being withdrawn for the present The Special Audit Officer says that this would be better as no Scheme Register is maintained and Compensation Register is not properly maintained and the Trust Property Register is not being written up at all(Para 30, page 21)

(g) The sanctioned estimates and working areas overlap each other Mr Mylar Rao was not in favour of withdrawal as the Board will lose the advantage of acquiring the properties at the then market value But the Auditor states that there is nothing to show that the compensation was fixed with reference to market value and the parties cannot be compelled to take in 1924 the value fixed in 1904 or 1905 and if the time limit followed in other acquisition proceedings cannot be made to apply to these cases as stated by the previous Chairman then the market value standard should not be also held applicable He suggests that the procedure contained in Section 27 B of the Bombay City Improvement Regulation on which the Mysore City Improvement Regulation is based may be adhered to so as to enable the owners of land to claim compensation on the market

Para 35

Para 38

Serial No

value prevalent 6 months prior to the date of the actual acquisition of the property

23. Paras 43 to 45 - Finances of the Board and suggestions for improvement - It is stated that a Statement of the finances of the Board is ~~said to have been~~ not prepared not with a view to valuation of assets of the Board as indicated from the works executed which is said to be not possible, but only with a view to show the ~~contracts~~ commitments of the Board both in respect of incomplete works and undischarged liabilities, ~~It is~~ and that in ~~stated that~~ the statement the valuable assets of the Board are also shown and what money should be paid either from Government grant or increased resourses of the Board to discharge the existing contract in 20 years The maintenance of proper Capital & Revenue Accounts was required by Govt No 68-22908/Mk 143-15-13 11/12/15 which was the work you are now asking claims to have been done so far.

24 Liabilities - The balance of unworked estimates is said to amount to Rs 44 lakhs It is stated that more amount may actually be required to complete the works i e , about Rs 46 lakhs might be required

25 Assets - The assets of the Board are said to consist Government grant and Rs 50,000 income from sources indicated in para 48 The revenue of the Board thus form a minor source only The Board should therefore have power to borrow increase the source of income and should also get some share from the unicipal Revenue of Bombay and Rangoon (paras 51 and 52)

26 Fresh sources of income suggested are

NOTE—Contn She

Serial No.

(a) The Trust Board should get revenue from the productive schemes executed by it It should get Rs. 8,000 per -- annum from Devaraj Market (para 53).

(b) The Trust Board should also manage the Sewage Farm so as to yield revenue with the ~~administration~~ agree of the Gardens Department, (paras 54 and 55)

(c) Cess on drainage constructions - Municipality is postponing this Prompt action should be taken in giving effect to this, which must bring in Rs 8000.

(d) Contribution from the Municipality - As the Trust Board has spent on objects which would otherwise have -- fallen on the Municipality, the latter should contribute to the expenditure of the Board The Municipality should be asked to pay (a) twice the tax on buildings as in Bombay - Government for the next 2 years a - reduced amount may be fixed on account of low financial condition of the Municipality, (b) rent for the Municipal buildings, two-thirds cos of which was met by the Trust Board but only one-third portion is occupied by the Board Office Income under this is estimated at Rs 6000 per annum

Serial No

(e) Levy of surcharge stamp fee of 2½% on all transfers of immoveable properties as in Rangoon and C & M Station, as the value of ~~these~~ properties has increased on account of the Trust Board operations, on properties of above Rs 1000 in value - Rs 10,000 is expected out of this

It has not been possible to do this without an amendment of the Municipal Act giving power thereto to the Board

(f) Imposition of terminal tax on passengers leaving Mysore for places beyond 20 miles, on payment of a commission of 5% to the Railway Authorities - Income Rs 35,000

It is stated that the above sources would bring in nearly Rs 75,000 to 1 lakh

(g) To keep up the income, scheme for building poor houses is advocated, also loans to people to build houses

27 As regards budget it is stated that the sanctioned programme should be adhered to and a sum of Rs 15 to 20 thousand kept in reserve to meet unforseen expenditure which is one of the reasons advanced for deviation from programme (para 64)

28 - The necessity for the Trust Board getting income from the productive works executed by is being urged from time to time ~~and no defi~~ action has been taken

Serial No

In para 5 of the review on the report of -- the Trust Board for 1923-24, the Chairman has -- been requested to submit a report as to the action taken

29 As regards the Sewage Farm, this has just been transferred to the Gardens Department report is due from the Department on the working of the Farm The Department will have to be -- consulted on the proposal to retransfer the farm to the Trust Board

30 <u>Cess on Drainage connections</u> - This is delayed on account of the failure of the Municipality to give statistics of houses etc The - Trust Board has been asked to take steps for --- bringing the cess in force early (vide para 5 - of the review of the Trust Board report for 1923-24)

31 <u>Contribution from the Municipality and rent for Municipal Office</u> - The Municipality is not - in a position to spare any money out of its revenues It had not sufficient money even to - pay its dues to certain departments It has - also to arrange for the maintenance charges of the Water Supply The Municipality are not in a position to pay Rs 500 ~~tax~~ for the building also

32 The term 'terminal tax' seems to imply a -- tax at the terminus It is generally used in regard to articles on which Octroi is leviable and on which a tax is proposed to be levied at

Serial No

its terminus or the place to which they are consigned or in which they are finally received In this case the tax is proposed at the place of starting and would, if imposed, can be considered only as a poll tax It does not seem possible to accept the imposition of any such tax The Local Self-Government Conference was against the imposition of a pilgrim tax also in this State though this is prevalent in some other places

34 Establishment - The office to be divided into 3 Divisions - General, Engineering and Acquisition including Revenue, all forming part of the Trust Board Office. Engineering and Acquisition including Revenue to be under the immediate charge of 2 Officers, viz , the Engineer and the Acquisition Officer, who is the Chief Officer of the Municipality General Section should be under the control of the Chairman Under this, there may be a common Cashier, combined Correspondence Clerks and Typist and Record-keeper for all the 3 Section

35 It is stated that the cost under these proposals will be Rs 23,753 and there will be a saving of Rs 4,300 per annum

36 Difference between the Trust Board Committee proposals and the Special Officer's proposals are described in para 74 These are

37 61 Against the proposal of the Committee to abolish the Manager who is also Chief Accountant the Special Officer would retain him and ab

lish Head Accountant, as the latter post is a - misnomer, the designation of the Chief Ministerial Head of the Engineering Section of a D.P W Division being Head Clerk A good Manager with accounts experience preferably a man from the -- Comptroller's Office with an allowance of Rs 25 would be useful

Serial No

is recommended

36 The Special Officer would also retain Revenue Accountant as this is necessary to watch the revenues of the Board While agreeing - - with the Committee for the abolition of Mutsaddy he advocates the retention of Loan Clerk on account of the large number of ledger accounts to be maintained.

39 4 Men are engaged for correspondence The Special Officer would retain only 2 and also -- abolish Head Clerk A typist is added

40 Drawing Section - On account of the multifarious work described in para 77, the Special Officer would retain Assistant Draftsman which is proposed for abolition by the Committee - The reduction may be possible only if the Board do not undertake the work of others including the Municipality

41 Out-door Establishment - Reduction of Sub-overseers from 7 to 5 recommended He is also not in favour of putting Overseers on disposal of lands work This should be done by a - - Sheikdar whose services may be obtained for -- the purpose from the Revenue Department

NOTE—Contn Sheet

Serial No

42 Though he thinks the appointment of an Executive Engineer is not costly as the percentage of cost of works is only 15% against higher percentage in P W D', he has no objection as required by the Committee for the -- posting of an Assistant Engineer instead of an Executive Engineer as there are really no large works in execution But then he recommends departmental supervision when the Chairman is not a technical officer or to have an Executive Engineer among the Trustees to give expert advice, to countersign work bills and to check measure final bills, he being given suitable allowance for these duties

43 Inferior Establishment - The Special Officer would abolish 2 Collection Mutsaddies - and 1 Notice Server as Sheikdar should do the work with his 2 peons who may however be literate men on pay Rs 15-½-18

44 Peons - 11 peons are recommended against 10 proposed by the Committee

45 The Special Officer recommends increment al and better scale of pay than at present - viz , Rs 25-1-30, 30-3-45 and 50-4-70 and - (70-5-100 plus 25 allowance) for Manager and that officials should pass Accounts Examination and should have fair knowledge of City - Improvement and Land Acquisition Regulation earn promotion and that these appointments should carry the benefits of the Mysore Subline ~~municipal~~ gulations

Serial No

Non-Schedule Establishment - Some help to be given to the Compensation Accountant to write the Trust Property Register A temporary hand on Rs 25 or 30 to be appointed for this purpose

Early action to be taken to regularise the charges of Temporary Establishment to works -- The charging of pipe line establishment to different estimates without provision to be rectified

It is also stated that the question of special establishment for closing estimates and for preparing fresh estimates is to be taken up separately

Trust Board Regulation - The violations of the provisions now made are pointed out in para 86 (pages 51 and 52). It is stated that the Regulation should be amended in regard to the matters specified in para 98 and Rules should be framed defining the functions of the Chairman and the Board as specified in para 87

Audit Committee - The constitution of an Audit Committee is recommended consisting of 3 Trustees on the analogy of the Public Accounts Committee of the Legislative Council (vide para 89) with powers defined in para 91 A whole-time Auditor for the Accounts of the Trust Board and Municipality under the control of the Comptroller is also proposed to have an independent and concurrent audit of the transactions of the Board with power mentioned in para 93

The speaking of this Act are not now carried as such as have such as before, I am such it is doubtful whether any Audit Committee as this purpose need be appointed.

Serial No

57 Improvement in the strength of the Board

In para 100 enlargement of the Trust Board is proposed so as to consist of 13 members including the Chairman on the lines indicated therein -

4 Ex-officio, 3 Elected by the Municipality, 2 Elected by Associations (Merchants and Law Association etc ,) and 4 Nominated by Government to represent special interests -- Ex-officio members except the Chairman not to be members of the Audit Committee

52 In forwarding the report and recommending the good work done by the Mr Raghavendra Rao, the Comptroller to Government states that in the event of the proposal of the Assistant Comptroller to close the existing works estimates and preparing fresh estimates for incomplete works, it may be necessary to place an officer of the Revenue Department on Spec Duty for some time assisted by a suitable staff and that arrangements should be made for the disposal of undischarged liabilities, -- claims for which may be coming up from time to time and for watching outstandings under suspense heads for which provision will have to be made in the Budget estimates of the Board

53 He does not say that the charges would amount to

If the Board's money is spent on establishments then there will be little money left to carry out any work

54 The Comptroller agrees with the Assistant Comptroller's proposal regarding the

Serial No

reduction of establishment and states that the proposal has been referred back to the Board and if approved by the Board may be given effect to from 1st January or 1st July next as may be possible.

55 As regards sources of income proposed, the Comptroller states the transfer of income relating to the Devaraj Market and Sewage Farm which latter was only very recently transferred to the Gardens Department requires very careful consideration, and the others deserve consideration The feasibility of the proposals in the latter respects also has been discussed in this note page 18 approves of the proposal for the constitution of Audit Committee and for giving power to the Comptroller to surcharge illegal or irregular expenditure.

The Comptroller also states that the explanation of the Board and Municipality may be obtained as regards matters referred to in paras 16, 18, 46 and 56 of the report before orders are passed thereon.

57 As regards closing of estimates, Government in their order No. L. 8249-55/Ml. 207-22-1, dated 25th June 1923, requested the Chairman to scrutinise the list of sanctioned scheme, to close old ones and to prepared and submit revised list with information as to what liabilities have to be provided for by Government.

(Vide also para 15 of G O. No. L.7181-85/ Ml. 3-23-23, dated 28th March 1924 reviewing the

and Revenue
tariat

File No 3447/45154 of 19

(Flag E.)

Serial No

Trust Board report for 1922-23) Whether this requires the employment of a special Officer is for consideration.

Flag. I

58. A summary of the major irregularities contained in section B is separately put up It may be stated that several of the irregularities pointed out in this section and even in section A of the report as regards the register accounts, awards or acquisition proceedings, - deviation from the provisions of the Regulation were noticed by the Efficiency Auditor of the General and Revenue Secretariat and Government have passed detailed orders thereon in G.O No L. 7755-77/M1. 68-22-39, dated 29th March 1924

Flag S

The Trust Board may perhaps be requested to tak needful action to remedy the defects with reference to these orders and the several proposals now made made by the Special Audit Officer

59. The Financial Secretariat may also be consulted as regards the several remedies now - - suggested.

L L Seay) 20/12/24

60) An early report may perhaps be called for from the Chairman on all the points raised & irregularities noticed by the Special Audit officer — After the receipt of the report, fresh lines may be considered

Sewang 61) 22 12 24

142

14 2

62) Mean put up a draft ~~body~~ early

63) draft as per paras 60 and 61 put up

NOTE—Lower Sheet

Paras in the Draft under put up

OFFICE
2 DEC 1924
551

Reg 18/12

O.O. No. 1334 dated 5/7/25 from the chairman of the T.R.

File No

General and Revenue Secretariat

Serial No.

64) A draft forwarding the report together with a list showing the important points of criticisms etc. is put up for approval with refer to paras 60 and 61 supra

BDB 23/12

NOTE—Contn Sheet

Serial No

D.O. letter No 1334 & 1925
The Chairman, C.I.T. Bombay
Requests that the Board may be consulted before rules are finally passed, on the Report

64. A draft forwarding the report together with a list showing the important points of inspection etc is put up for approval with refer to paras 60 and 61 supra.

PCB 23/2

2 Weeks

63) app

66) Comm

Draft 634 of 1925 to Chairman C.I.T. Bombay. Trust Boards Commission. Forward the report in original and copies for use of the Board on the points raised therein

Do letter was sent for the Commission at least time of preparing the report

8/4/26

Why this has been delay in preparing the draft?

8/2/26

Received 14 MAR 1925

Why this not taken at the time of Recording? and this is recorded as per instructions given

8/4/26

Serial No 7

No 1719 & 11 4 25.

The Chairman, C & T Bd

Mysore

Submits a detailed report on all the points of criticism made by the Special Audit Officer on the Trust Board finances.

67) Subject will refer to the Secretaries orders at para 61 of the notes

1814 25 204

67) Consider & the subject & revert. Time for week.

204

1 7 11

A draft is submitted for consideration. Some of the points raised may require further consideration and opinion of the Comptroller & Financial Advisor. Imperial sanction or Imperial orders can be passed in these and noted in pencil in appeal places in the draft.

[illegible]

[illegible]

NOTE Contn Sheet

233

Serial No

71 The draft has been revised — It deals fully with the objections raised by the Spl Offr. ~~Again it is unnecessary~~ It may further be revised after the points for orders are considered

Devan

72 Yes has been considerably shortened

73 Please revise this

Devan
Thro Fin [Sec]

74 I think the draft is capable of considerable reduction I attempted to omit the unnecessary portions will be seen from my pencil marginal remarks on pages 1 to 4 It would be well if the rest of the draft is revised on similar lines. There is no need to repeat in the draft the recommendation of the special officer which call for no orders.

75 It is I think enough if only the portions in which orders are necessary are brought referred to Proposals accepted by the chairman and those not requiring orders may all be referred to in a sentence or two.

NOTE—Contn Sheet

13 JUN 1925

Serial No

NOTE—Contn Sheet

Serial No.

78/ A revised draft order as personal unobjected (draft III) is put up
17 7 25

Dewan's order

79 The draft order is sent to Fmal Secretary for favor of scrutiny and remarks
Intd A R B
20 7 25

DEWAN'S OFFICE
22 JUN 1925
Reg. No. 6[illegible] .....

80/ I have gone through the draft and find that I have no remarks to offer There were one or two very small typing errors which I have corrected
Intd M V K
20 7 25

81/ The draft finally revised by me may now be
82 Who may be better!

83 Vide also Dewan's order on the draft that the Dewan's office note & the L & Sec note shd be sent unoff to the Chairman for ~~remarks~~ opinion
22/7/25

84 no 2574-6 of 23/7/25. To chairman Trust Board Mysore, Comptroller, Finance Secy and Secl. Reviews the report with observations
22 7

NOTE—Cont

Serial No.

NOTE—Contn Sheet

File No 81

84) A. D. S. N. is put up with letter to Debaun
is at para 82 of the notes

85) Action has been taken separately with
reference to his orders at para 83 supra.

86) Please put up a clean
draft as revised

87) Typed draft as revised is put up

Dewan

G.R.S. III-21

WD 2113—CPB—10,000

File No. of 19

General and Revenue Secretariat.

Serial No.

Note—Contn. Sheet

Please address all future communications to the Comptroller to the Govt of H H the Maharaja of Mysore
In reply to this Comn please refer to

No WAD.I.683. 4-1 Part I

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

Dated, Bangalore, the 1st December 1924

GENERAL & REVENUE SECRETARIAT
3667
- 6 DEC 24
LOCAL SELF GOVT BRANCH

FROM

T SATYARAJ CHETTY, ESQ, B A,
Comptroller to the Government of His Highness the Maharaja of Mysore

DEC 1924

To

B. Nagappa Esq., Bar-at-Law.,
Secretary to the Government of Mysore
Local & Legislative *Departments*
Bangalore

SIR

I have the honor to forward herewith, in original, the report of Mr. B. S. Raghavendra Rao, on the Finances of the Trust Board, dealing with the various points referred to him for enquiry in Government Order No. L.9924-5/Ml.117-23 dated 28th June 1924 in which he was deputed to examine the accounts of the Board and appointed Special Audit Officer for the purpose.

2 The report deals exhaustively with all points relating to accounts, resources and financial administration of the Trust Board and brings out lucidly the irregularities and draw-back observed in the existing methods of work and in the maintenance accounts and books with suggestions for the adoption of such remedial measures as will secure a general improvement and efficiency.

3. Mr. Raghavendra Rao's proposals are well considered and I note below my observations on some of the important suggestions made by him.

4. In view of the mixing up of estimates, the confusion which has resulted in consequence and the imperfect and incomplete manner in which the important registers of work are maintained without

any/

0102 GPB—4,000—27-3-21

C O 45–Rec —]

Department

192

FROM

T SATYARAJ CHETTY, ESQ, B A,

Comptroller to the Govt of
H H the Maharaja of Mysore

To

Esq,

Secretary to the Govt of Mysore,

Dept

Dated

Despatched

Received

No

Subject matter

any means of finding out what the actual outlay is that has been incurred on any particular work he proposes that all existing works-estimated might be closed and fresh estimates prepared for all incomplete works. In the event of adopting such a procedure, for which it may be necessary to place an officer of the Public Works Department on special duty for some time assisted by a suitable staff, it is essential that arrangements should be made for the disposal of undischarged liabilities, the claims for which may come up from time to time and for watching the outstandings under all Suspense Heads, Outside the regular work estimates to be started afresh, due provision for these being made in the budget estimates of the Board.

5. In regard to the reorganization of the establishments of the Trust Board the proposals of the Special Audit Officer which ha e been submitted after verv careful scrutiny on the spot, result in a saving of Rs.4,300/- per annum and the have, I am given to understand, been generally agreed to by the Chairman of the Board. The proposals have, however, been officially referred to him for his opinion with the Note on the re-organization drawn up by Mr. Raghavendra Rao, and if they are acceded to they may be given effect to from the 1st January or 1st July next as may be feasible. The scales proposed while providing for suitable progressive salaries which will keep the staff content aim at economy at the same time and result in a saving which are in themselves sufficient reasons for commending them for adoption.

6. Proposals have been submitted in the accompanying report for increasing the Revenues of the Trust Board. Some of the proposals involve levies from the Municipality in the shape of contribution and transfer of some of the items of receipts now taken credit for by the Municipality. I have gone through the several proposals and I find that the transfer of revenue from productive works such as the Deveraj Market to the Municipality, though the Capital Outlay was largely financed by the Trust Board, the Sewage Farm which was laid out and the

land for which was acquired at the cost of the Board. to the Municipality and thence to the Gardens Department of Government was effected with the cognizance of Government and the arrangement has continued for a long period. In the circumstances, the retransfer of these to the Board would necessitate the transfer of a portion of the expenditure now met therefrom, along with the assignment of revenue. The point requires therefore very careful consideration The levy of a Special Sanitary Cess, a Surcharge Stamp fee and a Terminal Tax suggested by the Special Audit Officer, for augmenting the resources of the Board deserve consideration.

Several points have also been noted re the revision of the Trust Board Regulation One of the main suggestions is the formation of an Audit Committee with extensive powers It is an established practice in all concerns of a similar nature to have a small body of capable auditors for managing the concerns and the formation of an Audit Committee is only an extension of this principle With an efficient Audit Committee some of the irregularities now noticed must cease.

8. Proposals have also been made for giving the Comptroller the power to 'Surcharge' illegal or irregular expenditure. This is proposed with a view to bring home to spending authorities the limitations in respect of their powers to spend 'Trust Moneys

9. The Special Duty Officer has also pointed out certain items of outlay on works and on acquisition of properties which under the orders of Government should have been met by the Municipality instead of by the Board (Vide paras 16, 18, 46, 56). It is necessary to obtain the explanation of the Municipality and the Board before determining what orders should be passed thereon.

10. The audit irregularities and the defects and omissions noticed in the course of the examination of the accounts and registers maintained by the Trust Board Office with suggestions for improvement are dealt with in Part II of the report. I have already taken action in respect of

of them, and as the others can be disposed of only by reference to the Board, it will take some time to take final action. I will in due course report to Government the action taken in respect of the more important irregularities and the points if any requiring their orders.

11. I feel it my duty to place on record the very good work which Mr. Raghavendra Rao has done as Special Audit Officer in this connection in the short period of three months for which he was placed on deputation as evinced by the exhaustive and lucid reports. He has done full justice to the work specially assigned to him by Government and has shewn himself a capable young officer eminently fitted for higher responsible duties in the Account Department. A perusal of his report will convince Government that he has fully brought to bear the knowledge and experience gained in the Account Department in performing the onerous duty entrusted to him, which it must be stated he has discharged with credit.

I have the honor to be,

Sir,

Your most obedient servant,

P. Satyanarayana

Comptroller.

SAM)

Please address all future communications to the Comptroller to the Govt. of H H the Maharaja of Mysore
In reply to this Comn please refer to
No S.A.30.

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

From

Dated, Bangalore, the 3rd December *192* 4.

B. S. Raghavendra Rao Esq., M.A., (Hon)
Special Audit Officer,
Mysore City Improvement Trust Board,
M Y S O R E.

Through

T SATYARAJ CHETTY, ESQ, B A,
Comptroller to the Government of His Highness the Maharaja of Mysore

To

B. Nagappa Esq., Bar-at-Law.,
Secretary to the Government of Mysore
Local and Legislative *Departments*.

SIR

I have the honor to enclose herein the report to Government on the several points referred to me in Government Order No. L.9924-5/Ml.117-23-24 dated 28th June 1924 appointing me as Special Audit Officer to the City Improvement Trust Board for a period of three months

The main items of work referred to me were

(1) Examining the Registers etc, maintained by the City Improvement Trust Board and returns to be submitted by them and proposing measures for improving the finances of the Board.

(2) Retrenchments in the establishment, and

(3) Revision of the City Improvement Trust Board Regulation.

A short resume of the accompanying report dealing with the above is given below for the information of Government.

1 To enable me to have an idea of the accounts maintained in that office I audited six months accounts (1st July 1923 to 1st January 1924). The various points noticed during the audit are included in Part I, Section B and Part II of the report according as they are Major or Minor irregulatieo.

The

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Department

192

FROM

T SATYARAJ CHETTY, ESQ, B A,

Comptroller to the Govt of
H H the Maharaja of Mysore

To

ESQ,

Secretary to the Govt of Mysore

Dept

Dated

Despatched

Received

No

Subject matter

3 The registers maintained in the Trust Board Offices were examined in detail. As has been repeatedly observed in the various inspection reports the office has not maintained many of the essential registers nor are those maintained generally posted up to date. The Chairman has been given a list of the registers to be maintained and has been requested to maintain them at least from the beginning of the current year and to insist on their being posted correctly and up-to-date.

4 Even the C Registers are not correctly posted. They do not always represent the facts at any particular time as they are not posted simultaneously with the payment of bills. In some cases entries have not been made at all and the registers of one particular year was not even available and perhaps not written up at all. No attention has been paid to the correct allocation of charges, misdebits amongst sub-heads are quite common and in many cases unsanctioned sub-heads have been freely opened. Excesses under sub-heads do not appear to have received any attention. Works are often undertaken, without sanction and without regard to availability of funds or Budget Programme. In some cases detailed plans and estimates themselves are not forthcoming so that Audit is well nigh impossible. Agreements are not usually taken from contractors and there is no schedule of rates. No check over rates paid is therefore possible. Contractors often claim rates higher than stipulated as no agreements are taken from the

5 With regard to works, a statement has been prepared showing the estimates sanctioned by Government from time to time, the amount worked out in each estimate and the balance remaining for which funds are to be found. The Balance of unworked estimates comes up to 48 lakhs. Owing to the general confusion prevailing overlapping estimates, incorrect postings of 'C' registers and the fact that most of the estimates require revision on account of present conditions as they were framed long ago it has been proposed to close all the existing estimates, the Suspense Balances being duly adjusted, and start with a clean sheet

so that at least in future the accounts registers etc may be correctly posted and the Board enabled to know its correct position with respect to its committments.

6 With regard to Stock no stock account with values has been maintained and no verification effected between the stock on hand and debit to Stores. All stock has been debited to the "Materials" head of a particular work. No materials at site account has been maintained with the result that the Stores Account are in great confusion. The action to be taken to bring this to some order has been indicated in the notes.

7 The committments with regard to Acquisition of properties for purposes of Sanitation &c has been examined in detail and proposals submitted for the wholesale withdrawal from all the existing acquisition notified on account of the reasons set forth. The Revision of the Regulation in this behalf has also been proposed with a view to provide to holders of properties notified for acquisition the right to demand acquisition within a certain period and to define "Market Value" in respect of Schemes lasting over a number of years.

8 Since the City Improvement Regulation of 1903 as it stands does not suit present conditions and no attempts have been made either to amend the same or amplify it by rules framed thereunder proposals for the revision have been discussed. The powers of the Chairman and the Board respectively with regard to the following have been sought to be defined

1. Sanctions to original estimates supplementary estimate, and excesses over estimate.

2. Powers to sell, lease etc , moveable and immovable properties belonging to the Board

3. Power to acquire properties by mutual agreement.

9 The constitution of the Board is proposed to be revised with a view to make it more representative. Inter alia the appointment of a small Audit Committee with definite powers in respect of new expenditure, excesses over estimates &c and advisory powers in other matters is suggested. The accounts of the Board are to be subjected to detailed monthly audit by a full time auditor who is independent of the Trust Board instead

of the present annual test audit. The Comptroller as 'Chief Auditor' is proposed to be given the powers of 'Surcharging' irregular or illegal expenditure in order to bring home the responsibility for incurring the same to the persons concerned.

4 The question of the minimum establishment necessary for the Trust Board has been gone into. There are at present too many employees and the sal ries are inadequate and not conducive to efficiency. The number has therefore been reduced and slight increases in the rates of pay suggested bringing them into line with the pay obtaining in Government Offices. The proposals result in a saving of about Rs.4,300/- per annum.

The problem of improving the Revenues of the Board has next been discussed and detailed proposals submitted. The items of Revenue suggested are estimated to fetch an additional income of over a lakh of rupees and are capable of improvement with time. As the present Miscellaneous Revenue at the rate at which it is being recovered now is expected to be wiped out in about 5 years it is proposed to revert to the old system and make use of part of the Trust Funds for giving House Building Loans and Construction of model houses to house the dispossessed &c.

12 It is hoped that with a stricter control over expenditure, the increased Revenues and a better watch over the Revenue yielding properties of the Trust Board, the Finances of the Board will be in a sounder position and less dependent than now on the viscissitudes of the State Grant fluctuating with the prosperity or otherwise of the Annual State Budget.

I have the honor to be,

Sir,

Your most obedient servant,

Raghavendra

3 R 24

Special Audit Officer

SAM

23

No 1719 1739

OFFICE OF THE CHAIRMAN,
CITY IMPROVEMENT TRUST BOARD, MYSORE

Dated 11th April 1925

FROM

N MADHAVA RAO, ESQUIRE, B A, B L,
Chairman, City Improvement Trust Board,
Mysore

14 APR 1925

B.Nagappa, Esq., Bar-at-Law,
Secretary to Government of H H the Maharaja
of Mysore, Local and Legislative Departments,
B a n g a l o r e

Mul Sit-24-7

SIR,

I have the honour to send by separate packets replies on the various points raised in the Report of the Special Auditor, Mr B S Raghavendra Rao, upon the finances of the Trust Board

In replying to the Report which deals diffusely with questions large and small, it has been difficult to bring together the results of actions taken on the really important points

2. Out of 226 sanctioned estimates for construction works, aggregating in cost about Rs 55 lakhs, only 13 works amounting to Rs 8 8 lakhs have been retained and the rest have been closed as ordered by Government (Vide G O 6327-8-41-19-24-5 dated 26th February 1925) The balance of expenditure required to complete these works will be about Rs 4 5 lakhs

3. The question of acquisition of properties is being separately examined The Committee appointed to investigate this question have been regularly going round and the inspection of Krishnaraj, Chamaraj and Mandy Mohallas has been completed In these 3 Mohallas as many as 175 properties have been either released or marked for release

The Committee is now inspecting the notified properties in Lashkar Mohalla and hopes to complete the remaining areas before the end of this official year, when the actual amount required for the acquisition of the remaining properties will be definitely ascertained and reported

4. One of the important points referred to in the Report is the condition of the Stores Account This account has been completely overhauled with the result that there was only a small difference of Rs.733 between the actual and account figures as reported to Government in this Office letter No 1199 dated 27th January 1925 The permission of Government has been solicited to write off this difference

The serviceable articles have been separated from surplus stock and the latter will be disposed of on receipt of Government orders in the matter

5 The site ledgers also have been overhauled and the correct figures, as per ledgers, adopted in the plus and minus Memo that is being sent to Comptroller every month A report has also been made to him in this Office No 1164 dated 20th January 1925

The ledger balances relating to House building loans have been reconciled with the plus and minus memo Against the difference of Rs 300 and odd that existed, all but Rs 39 and odd has been traced and reconciled, which fact has been reported to the Comptroller in this Office No 165 AC dated 29th January 1925

6 All Trust lands of any appreciable extent have been marked in the City plan In the case of small bits which remained after the roads and conservancy lanes were opened, these are also being marked on the Block plans, after due verification Half this work is over, and efforts are being made to bring it to a completion

7 As regards establishment, all possible reduction has been made resulting in a savings of about Rs 7,000 per year, as explained in the report

8 ~~Especially~~ For some time past and more exhaustively since the receipt of final orders from Government as a result of the Dewan's inspection of the Office in November 1923 every attempt has been made to

to clear the arrears and to systemetise the work, and from the short resume given above, the Government will see that substantial progress has been achieved on all the important points, although it will be some time longer before the work is brought quite up to date

I have the honour to be,

Sir

Your most obedient servant,

CHAIRMAN

GVN

Comment on the Report of Mr.B S Raghavendra Rao, Assistant Comptroller, on the Accounts of the Trust Board

Section A

Paras 5 to 8 (General defects)

The remarks relating to insufficient attention said to have been paid by the Board to collection of revenue, addit of accounts etc are much too general to admit of a succinct reply Where specific defects are pointed out in the Report they will be dealt with in the course of these replies

It may be sufficient here to remark that, as regards extension of drainage works, the pace has been slowed down with the approval of Government, pending the installation of adequate water supply which is a sin-qua-non for underground drainage system The funds at the disposal of the Board at present are insufficient for the various purposes such as acquisition, opening out and making lanes etc which are all necessary to effect through drainage In these circumstances attention is confined for the most part to giving house connections to existing sewers and thereby securing the greatest benefit from the work already executed

The construction of houses for the poor is not being taken up for want of funds, and also because houses already

already constructed have not yet been fully disposed of

As regards supplementary grants asked for from time to time, full explanations appear to have been given on each occasion and evidently accepted by Government when these additional grants were sanctioned During the current year, no application has been made for additional funds The necessity for keeping within the Budget grants is fully borne in mind

The present system of registers has been in vogue from a long time and such

Paras 9-11 (Office Registers)

alterations as were suggested from time to time by the Comptroller and his assistants have been adopted

The further suggestions now made, in Appendix A of the Report, have also been adopted to some extent and will be brought into effect more completely from the commencement of the next official year

It is however suggested that the Comptroller should also examine the proposals and see if the new registers are all necessary

It is pointed out in the Report that the C Register of works is not

Para 13 (Register of Works)

properly mainatined, that works are under-

undertaken without estimates, that there are excesses and wrong classification of expenditure under subheads, that new subheads are opendd for unsanctioned items and that some of the estimates are overlapping

The C Registers do show some of these defects but it is misleading to represent them as the normal feature of the Board's methods The opportunity for these mistakes was afforded by the fact that completed works were not closed and supperceded estimates promptly revised for many years The opportunity for making a fresh start was also wanting, but this is now afforded by the permission given by Government to close old works without the elaborate formality of preparing completion reports The estimate are also being revised and brought up to date, so that in future there should be less possibility of the recurrence of the mistakes pointed out

Para 14, (Register of sanctioned estimates)

This is only intended as an index to estimates and there is no need to incorporate in it a variety of detail which could be had from estimate themselves

The Special Officer recommends separate registers for estimates as sanctioned by the Board and the Government respectively, but this duplication seems to be unnecessary, as the name

of the sanctioning authority can be noted in the same register

Productive Works" in Mysore City are practically non-existent and there is no need for opening Capital and Revenue Account for such works The proceeds of the sale of sites in the several extensions are being separately recorded and this information seems to be sufficient for al practical purposes

Para 15 — Plans and estimates are being re-arranged and indexed

Para 16 (Statement of Works) — Most of this is a repetition of what has been said before The defects pointed out are more exceptional than normal and the sweeping generalisations unjustifiable

Expenditure on repairs during and immediately after construction is often charged to construction estimates, for example, in Railways. The practice has been followed in the case of drainage works by the Trust Board Separate estimates for maintenance will, however, be prepared in future

The opinion that maintenace and repair charges cannot be incurred by the Trust Board at all seems to be incorrect The Board has to protect the property it has created and pending transfer of the works to the Municipality, has to look after their maintenance This is done

by the Bombay Trust Board whose powers and duties are analogous to those of the Mysore Board

The older drainage estimates are being closed But the preparation of fresh estimates for the balance of work remaining to be carried out involves fresh surveys and can only be undertaken when adequate funds are forthcoming In the meantime, provision is made only for house connections and for testing the existing sewerage system pending its transfer to the Municipality for maintenance

(Para 18 Condition of drainage works)

The proposal to close the bulkier estimates which are out of date has already been approved by Government and is being given effect to The number of estimates under operation is reduced from ~~263~~ 226 to 12 and the amount required for completion of these works f~~rom 48 lakhs for rupees~~ ce Cenzes to Rs 4·5 lakhs

Para 19

The registers pertaining to acquisition of properties do not appear to be in such hopeless condition although they cannot be claimed to be a model of accuracy When the Compensation Registers were compared with the Cash Book for several years, the percentage of er was found to be negligible The main

(Paras 21-23 Acquisition Registers)

main item of information which is now wanting relates to acquisitions made on behalf of the Trust Board by Revenue Officers The necessary particulars are being obtained

Regarding the alleged want of method in acquiring properties, it has to be stated that the curtailment of the State Grant from three lacs of rupees to one lac naturally unsettled the acquisition -- programme Some schemes which had been partially worked (including awarded cases) had to be put by and less costly improvements which were capable of immediate execution or which were otherwise considered urgent, were given priority

Speaking in a general way, the present position is as follows The acquisition of properties required for sanitary purposes according to the original programme is more or less ~~complete~~ completed in Fort, Lashkar and Mandy Mohallas Cases of acquisition in these Mohallas will hereafter be comparatively few, and confined to properties, required for special purposes only Lands required for the several Extensions have almost all been acquired and no further acquisition in these Extensions is for the present contemplated The bulk of acquisition work in future will be in Krishnaraja and Devaraj Mohallas and in Vannegowdan Koppal where a few blocks will be selected for intensive treatment during the coming year

There is only one property yet remaining to be acquired in the Fort ~~and~~

It will thus be seen that the work is proceeding fairly methodically, but of course slowly due to insufficiency of funds

Acquisition by this method is fully recognised by the Regulation and in practice its application is confined to

Para 26 (Mutual agreement) properties comprised in schemes wherein they had been inadvertently omitted to be notified It is sometimes necessary at short notice to acquire properties which might otherwise be converted by the owners to some use prejudicial to improvements under contemplation Used thus sparingly and with discrimination (and no case where it has been exercised otherwise is shown) this power is not only necessary but fully regular

The expediency or otherwise of releasing notified properties has been dis-

Para 26(c) to 37 cussed at length on previous occasions

and the arguments for and against the proposal need not be repeated here Suffice it to say that the Special Subcommittee has inspected notified properties in Chamaraj, Krishnaraj and Mandy Mohallas and recommended the release of 175 properties The work in the other Mohallas is proceeding and may be completed before the close of this year

The notified properties may be broadly divided into 3 classes As a general principle the first class, viz , properties required for opening out conservancy lanes or extension of drainage or creating open spaces or extending important roads must necessarily be retained unless the policy of City Improvement is itself abandoned and the results of four decades of effort are to be thrown away

Class 2 Properties required for a particular scheme, for example, ~~construc~~ construction of Ayurvedic College etc can only be released when a definite decision is reached in respect of the scheme in question

Class 3 The large majority of the notified properties however are insanitary dwellings With respect to these, the owners are given every encouragement to improve the properties, so that they might cease to be a menace to the health of the inmates and their neighbours And when the necessary improvements are carried out, acquisition proceedings are withdrawn The fact that as many as 175 properties have already been released in 3 Mohallas shows that this policy is being applied in a liberal spirit and that the alleged hardship to the owners if any exist, is reduced to a minimum

The Special Officer wants to introduce legislation with a view to

to enable parties to enforce withdrawal of acquisition proceedings, if the Board cannot immediately buy up the property In this connection the practice followed in advanced European countries in -- analogous circumstances may be of -- interest Speaking of France where town planning is a speciality a well-known writer says --

> " In street improvements--- proposed widenings etc are clearly marked even although it may be twenty years before the change can be carried out Owners of properties cannot sell the land scheduled and must ~~sumi~~submit for approval plans for any alterations they propose to make to their buildings It thus becomes impossible for any new building or costly alteration to be erected or carried out upon land that will be eventually required "

It is the same, elsewhere where town plannings on any large scale are carried out or contemplated

Here, we place no embargo on sale of notified properties and are only too willing to release them if the owners will only improve them according to a moderate standard and without prejudice to eventual scheme

When the Municipal Office building is completed, probably next year, and the one remaining Fort property is paid for, a larger proportion of the Trust Board funds will be available for clearing the arrears of acquisition [illegible]

The Scheme Register is really a

an acquisition register and the proposed

Para 38 headings overlap those of the Compensation Register A modified form is being adopted, avoiding this defect, for current schemes only

A separate register is being maintained

Para 39 of unpaid awards The Compensation Register need not be disturbed

Para 40 Claim Register may be abolished

The work portions of schemes alone will be booked in "C" Register as at

Para 41 present It is not necessary to post expenditure on account of acquisition also in this register, as the necessary information is maintained in another Branch of the Office

The labour involved in posting the Property Register in the form hitherto de-

Para 42 manded is not evidently realised Instead of trying to find out how each square foot or fraction of a square foot of land vested in or acquired by the Board has been utilised during the past 20 years, it is more useful to know what exactly are the properties now left in possession of the Board A list of such properties in a simple form is being prepared at present and has made substantial progress This should satisfy all real requirements

The so called statement of affairs i

is misleading in the inference that is sought to be established from it, viz ,

Paras 43 to 47 that the Board has "liabilities" or "commitments" to the extent of Rs 46 lakhs which it has to discharge This sum only represents the balance of expenditure required to carry out, to the last stage of completion, the schemes sanctioned from time to time Some of these schemes must necessarily be worked out gradually and slowly while in every case the pace of execution -- could be regulated with reference to resources For instance, the estimate for the Vani Vilas Extension provides for an expenditure of nearly 13 lakhs of rupees But the first stage is confined only to two blocks which could be completed with an outlay of Rs 2½ lakhs, of which Rs 1 lakh has already been spent Thus the further capital needed for the proximate requirements of this Extension is about Rs 1½ lakhs only, as against Rs 12 lakhs or so assumed as a -- "liability" in the statement of affairs How quickly the first stage of the -- Extension is to be completed and when the next one is to be undertaken (if at all) depend on the growth of the -- Colony and, so far as the provision of funds is concerned, this is a matter -- of option with the Government

Still there is no doubt that some of these comprehensive estimates, while

while they are helpful as indicating distant objectives to be kept in view, are too unwieldy for working purposes The steps taken to prepare more compact estimates for works to be executed in the near future are referred to in replying to Para 19.

The estimates thus retained will be Rs [illegible] while the unworked balance thereon will come to Rs 4 [illegible] lacs

Paras 48-52

The impression that the Mysore Trust Board is unique in relying upon Government grants alone for its operations, is not correct, as the following extract from the Town Planning Review for July 1924 will show -

> "This policy has been the creation of self-contained Trusts financed by Government out of ordinary revenue and with admirably complete powers to undertake almost any form of improvements in the area under their control In the case of United Provinces Trusts, ~~inc~~ including Allahabad, <u>no source of revenue other than grants or loans from Government has been provided</u>"

The statement that " the necessity to depend on Government for its existence is inconsistent with the statutory status conferred upon the Trust Board" is also incorrect This method of finance was deliberately provided for by the framers of the Regulation and the Government on considerations which are indicated in the following extract of a report submitted by the Board during the very first year of its operations

[illegible]

The circumstances of Mysore City are, however, exceptional Its population is of artificial not natural growth It is not a centre of trade or handicrafts, but simply the residence of the Maharaja, and consequently of innumerable retainers directly or indrectly dependent on the Palace It is calculated that these number something like a third of a total population of between sixty and seventy thousand Most of the working members of these families are in receipt of small pay, eked out by the scanty earnings of the females from rice-pounding They add next to nothing to the wealth of the community In a town of this kind any idea of financing an improvement scheme by means of loans, repayable from the sale of improved sites or from the realisations of increased taxation, is impracticable It was necessary, therefore, for Government to decide whether they would let things drift and leave the capital of this State a prey to recurring epidemics, or carry out a radical scheme at the expense of the general revenues Wisely it may be asserted they chose the latter "

Among the proposals made to improve the finances of the Board, it has been suggested that the Board should get a portion of the income from Devaraj Market corresponding to

Para 53 (Devaraj Market)

to its share of the total investment The claim is no doubt justifiable theoretically but joint ownership will never be satisfactory and as the bulk of the money has been paid by the Municipality, the latter may continue to enjoy the income from the Market

The next proposal relates to the Sewage Farm A good deal of further expenditure is necessary to make the Sewage remunerative If the Trust Board wants to take over the Farm in its present condition, it will only add to the Board's liabilities whatever may be its eventual value as a revenue earning asset Besides, it should be noted that although the land was acquired by the Trust Board, the sewage water belongs to the Municipality On the whole, the present arrangement by which the Sewage Farm is managed by the Garden Department, under the sanction of Government only recently, on behalf of and with funds supplied by the Municipality, seems to require further trial

Para 56

There is no doubt that the levy of a cess on house connections is overdue The Municipality have not taken any steps in this matter for 7 years and it is a question whether Government may not direct its imposition under Section 74 of the Municipal Re-

Para 56 (Cess on house connections)

Regulation so as to avoid further delay The special Sanitary Cess referred to in the Report is an entirely different matter which does not concern the Trust Board

As the Government are well aware, the finances of the Municipal Council are none too flourishing and a contribution to the Trust Board cannot be thought of

Para 57 (Municipal Contribution)

The property tax at present stands at present 5%, and comes with water and lighting tax at to 9% of rental value If the special Officer's proposal is given effect to the rate will have to be raised to 19% which is quite impracticable in a city like Mysore

Para 58 (Payment of twice the general tax by Municipality)

It must however be pointed out that the proposal is based on a misapprehension of the practice in Bombay There the Trust Board does not get from the Municipality twice the proceeds of the general tax, but 2% of the rateable value which is quite different and which comes to only 2/11 ths of the general tax If the same proportion were adopted here, the share of the Trust Board will not come to Rs 76,3000, as the Special Officer -- erroneously thinks, but to about Rs 7000 only-- no great addition to the Board's income

The question of the Municipality's contribution for the Office building has already been settled by Government after full deliberation and it is no use re-opening this question

Para 59.

With reference to all the above proposals to get a portion of Municipal revenue for Truat Board, it is obvious that this transference of funds is really no gain to the City The two bodies have more or less similar objects to serve and their activities are mutually supplementary To take funds from the one to give to the other agency would not add to the aggregate resources available for the City's -- improvements

The Board will naturally be glad to see any addition to its resources in this or any other shape, which does not affect the Municipal funds, but the expediency of the proposed levy is a matter of policy for the Government to consider

Para 60 Levy of surcharge stamp fee)

Tax on Railway Passengers leaving Mysore for Stations beyond 30 miles

The same remarks apply to this proposal also which, however, is not a new one

Paras 61 After detailing various problematical proposals for increasing

the resources, Mr Raghavendra Rao arrives at the conclusion that they will not yield, in the aggregate, more than Rs.75 75,000 per year and that the Government grant will have to remain as the mainstay of the Trust Board income In other words the proposals will not help the Board, even if carried out in toto, to "stand on its own legs" or to eliminate "the necessity to depend on Government for its existence" which in Para 49 was considered" inconsistent with the Statutory status conferred upon the Trust Board " The fact is that the Trust Board of Mysore like those of Allahabad and the United Provinces, must remain as Agent of the Government depending for its work and income on the condition of the State finances

Para 33 (Housing)

The recommendation that the Trust Board should embark on housing schemes is somewhat inconsistent with the overemphasised moral of the earlier part of the Report, that the Board should restrict its commitments The subject is more complicated than could be dealt with in replying to an Audit Report It is only necessary to observe here that a number of the model houses are still undisposed of, or are being relinquished by people who bought them As regards loans, recovery with the existing powers of the Board is

is extremely difficult and issue of loans has for some time been discontinued, wisely, it would appear under the circumstances

Para 64

It would certainly be desirable to make a lump sum provision every year of Rs. 15 or 20 thousand for unbudgetted works of an urgent or petty nature Some provision was made in former years, but discontinued quite recently owing to financial stringencies The suggestion will be adopted in framing the budget for next official year

Paras 65-81 (Reconstitution of the Office and re-organization of establishment)

I have gone into this matter independently and with the approval of the Board, the following retrenchments have been made --

1 In view of the smaller grants now available, the appointment of an Assistant Engineer has been suggested instead of an Executive Engineer

2 The Special staff for clearing the arrears of work in the Office has been discontinued

3 The collection work of the Trust Board will be transferred to the Municipality and the posts of Sheikdar & Mutsaddi abolished

4 The post of one sub-overseer has been left unfilled

These measures will result in a saving of Rs 586 per month or Rs 7032 per year No further reduction seems to be possible in the permanent establishment

As regards suggestions for re-adjusting the work of the Officials, this is a matter which the Chairman has to settle from time to time, according to exigencies of work and qualifications of Officials

Para 82

The Special Officer recommends a better scale of salary and the benefits of permanent service to the officials of the Trust Board. These proposals will doubtless commend themselves to the Board and they will be submitted for consideration at a convenient time

Para 83

As regards non-schedule establishment, the number of men entertained will necessarily vary according to the exigencies of work and no rigid scale is called for under this head

Para 84 (Temporary establishment for works)

This consists of temporary Maistries for works and 9 coolies for looking after pipe lines and watchmen for charge of stores The ~~establish~~ establishment required each year is placed before the Board for sanction under Section 87 of the City Improvement Regulation

The Chairman has to perform all the executive work of the Board and has often times to anticipate

anticipate sanction in emergent cases His

Para 86 action is generally reporte to and ratified by, the Board If specific cases where this procedure has been overlooked are mentioned, explanation could be furnished

A monthly statement of receipts and expenditure and a quarterly progress report of works are regularly placed before the Board at present

Para 87 (Power to sanction works not not included in a regular scheme coming under Chapter III of the Regulation) Recently a proposal has been made to empower the Board to carry out works estimated to cost not more than Rs 1,000

Power to admit excesses over estimate The Board may be empowered to pass excess over estimates up to 5% on all non-scheme works In respect of schemes, the Regulation gives power to the Board to incur extra expenditure up to Rs 2500

Writes off There are no limits to the power of the Board in this respect nor is it necessary to impose any and no -- instances of having to write off any large sums have arisen til now either Cases of serious loss will necessarily be reported to Government as in every other Department under existing standing orders

(Contracts of war and leases of sale of movable and immovable property) The provisions of Sections 10 and 25 of the Regulation are at the same time necessary and ample and call for no change

(Acquisition of properties by mutual agreement) The existing powers under the Regulation call for no change

(Market value) It has been pointed out elsewhere that the provisions of the Bombay Act on this subject need not be adopted

(Investing the Chairman with powers of Deputy Commissioner for recovery of arrears as land revenue) The proposal may be considered -- should the system of giving house building loans be revised At present the outstandings under this head are less than Rs 10,000 and are being collected with the help of the Amildar and higher revenue officers

Paras 88 It does not seem necessary to invest the Chairman with special powers not contemplated in the Regulation

(Paras 89-90) The Board consisting of 9 members is a compact enough body and can be expected to exercise such control over financial transactions as the members may desire or possess any aptitude for An abstract of monthly accounts and progressive totals of receipts and expenditure from the commencement of the

the official year are being placed before the Board and the members have ample opportunity to scrutinise any branch of business they might wish to

Besides, all the accounts, with innumerable monthly statements, are sent to the Comptroller regularly for audit Between the Comptroller on the one side and the Board on the other, the Audit Committee will be left with very little to do Its creation is unnecessary

Para 92

If the Comptroller could keep an auditor at Mysore to promptly audit the Trust Board's accounts, such a measure will be entirely welcome--more especially if it helps to eliminate the voluminous returns that are now being sent to the Comptroller

Para 93

To invest the Auditor with powers to surcharge persons responsible for unsanctioned expenditure would be a novel innovation and one which might be thought of for the Trust Board, if it is introduced in all Departments of Government

Para 94

The Audit of course should be concurrent and the audit notes and replies may be placed before the Board when any important objections are raised or a[illegible]

Para 95. General;

No innovation seems to be called for

Para 97 Amending the Regulation with regard to acquisition procedure

Section 46 of the Regulation seems to be clear The wording of clause 1 is almost identical with that of Section 167 part 1 of the Municipal Regulation, while Clause 2 is the usual indemnity provision

Considering the functions of the Trust Board, viz , as a body entrusted with the expenditure of money granted by the Government for the improvement of the City, the present constitution seems suitable The members are for the most part Government nominees, either by name or by Office and could, as such be credited with some degree of responsibility in dealing with Government money The unofficial public is represented by the Vice-President and two Councillors from the Municipality There is no need to destroy the compactness of the Board by inviting representatives from the Merchants' Association, Bar Association or other bodies which have little or nothing to do with civic improvement

Paras 99-100

N Macdonald

Chairman,
City Improvement Trust Board

Section B

Substance of criticism	Replies
Para.1. Register of stock and materials account-	
Points out that the "A" Form register that is now maintained for noting the issues of materials to several contractors, is not one of the registers required to be maintained and that it is not maintained correctly nor checked by the Accountant or the Gazetted Officer, that values of the articles so issued are recovered as per rate list given by the Store-keeper and that no control is being exercised to reduce the outstandings.	Though this register is not an authorised one, yet it is necessary to keep an account of recoveries to be made from each contractors' bills Checking of the registers is being insisted upon.
	The recoveries are being made according to the rates paid on materials supplied by Firms
States that materials unused do not appear in the bills of contractors, that no control is exercised with regard to the recovery of the cost of articles issued to other Departments, that no details of refunds are entered in the "C" register, that indents and invoices for stores do not contain clearly the particular name of the sanctioned work to which they are indented for and	Bills are prepared only when materials are used on works Un-used materials are shown as "due from contractors in the register maintained by the bill checking clerk Materials issued to other Departments are entered in the "Daily issue of materials Register against which the number, date and amount of this bill are also entered and the recovery is watched by issuing reminders.

that adjustments from materials to works are made months after the materials are used up on the work and as a consequence the figures in the "C" register do not represent correctly the progress of work	However a separate register is since opened to note all such issues to other Departments The posting of details of refunds in the "C" register will be attended to in future This will be avoided in future.
2. Refers to want of agreement between the store and work accounts- Pointing out certain irregularities such as non-submission of monthly accounts of materials received and issued to works by the subordinates in-charge and the difference of nearly Rs 11,000/- between the "C" register balance of stock and the actual balance of stock on hand.	Stock accounts since opened from January 1925. These statements are being received now from the subordinates in-charge of work This difference is now reconciled and the result of the verification has been reported to Government and a copy sent to the Comptroller also, vide this office No.1200 dated 27th January 1925.
3 Pointing out the difference in value of materials between the "C" register and the statement prepared from the register with bill clerk	This is now investigated and the result reported to Government and to Comptroller as stated above.
4 to 8- Remedial measures for adjusting the balance of stock articles under No IV Drainage area suggested by debiting the value of all stock articles now borne in No IV Drainage area to stock and crediting to No IV Drainage area	Attended to as per instructions of the Comptroller.

and thus relieving the latter.

Urging the necessity for opening stock accounts.

Since opened from 1st January 1925

9 to 11. Proposes certain registers and forms to be brought into use at once and the object of these forms.

The forms and registers are brought into use, although they are much too elaborate for the small volume of stores transactions.

12 & 13. Objects to rates being fixed by store-keeper for each supply and recommends fixing of half yearly rates

The fixing of rates is merely the determination of the cost paid for the articles and this can be done by the store-keeper as well as by any one else. But adoption of an average rate for the year is preferable and will be adopted.

14. Periodical counting of stock

Noted.

15 Disposal of unserviceable and surplus articles.

Attended to and Government also addressed in the matter as stated above in para 2.

16 Urges the necessity to open the stock accounts-

Since opened from January 1925 <u>Vide</u> Para 2

17. Proposals to regulate the purchase of stores by the Chairman and the Stores Purchase Committee

For facility of works, all indents up to Rs 1,000 in each case can be purchased by the Board and indents above Rs 1,000 will be sent to Stores Purchase Committee

18 Orders for purchase of stores to be placed by the Chairman and not by the store-keeper.

The store-keeper never placed any order directly with the Firms. Even Bazaar purchases are made by the store keeper after obtaining the orders of the Chairman.

Method of receipting articles as soon as stores and invoices are received.	This is being done in every case on all bills received from the Firms
Giving suggestions for receipting articles when they are received without invoices.	The suggestions given are noted
19 Suggests obtaining the monthly materials account from the subordinates in-charge and exercising check with the issues as per stock abstract.	This is being insisted upon now.
20 to 22. Treatment of returned materials in accounts- Insisting upon invoices accompany -ing the materials returned from works as otherwise they will be unaccounted for till they are actually taken on books or counted and monthly review of store accounts by the Manager as per rules.	The suggestions given are noted
Points out that there are some minus entries against the contractors in the ledger maintained by the bill clerk and calls for explanation for the same-	These minus entries are said to be due to the materials being transferred from one Contractor to another owing to urgency of works Such minus entries won't recur in future.
23 & 24 Pointing out that present balance of materials in work accounts is large and that materials of works other than	If the names of such incomplete works are given, then it may be possible to find out if any materials are really outstanding

No. IV Drainage area not properly accounted for.

25 to 28 States that materials account of New Municipal Office building is in confusion, that adjustments for materials used up months ago have yet to be done , that "C" register postings are incorrect, that there is differences between the balance of materials as per "C" register and a compilation made by them, that no certificate of count of materials at site has been given, that no distinction is made between materials belonging to Government and those belonging to contractor and that certain postings in the "C" register are irregular and not reliable.

against them. The only big work where materials are to be accounted for is New Municipal Office work Bills are generally given every month and all materials outstanding are being entered in the bill & verified by the Sub-overseer and the Executive Engineer, while passing the bill.

As already explained all the adjustments have been effected and very few materials are now outstanding. As per last bill the following are the only materials that are still outstanding and they agree with the "C" register newly opened.

	Value		
	Rs	As	P
1. 550 C ft of teakwood logs	1,651	0	0
2 T W door shutters 1632 Sq.ft.	612	0	0
3. Do Panelled shutters 96 Sq ft	120	0	0
4 Do windows with panell shutters 270 sq.ft.	202	8	0
5 Do with glazed shutters 713 sq ft.	356	8	0

These are materials supplied by the contractor and paid for. They are acknowledged by the contractor in his bill and are being adjusted in each bill. The only materials belonging to Government are- 6 girders Section 15'X7" valued

at Rs 4672-7-9

33 to 34. Registers of appropriation- Points out that control of budget grants is necessary- that budget estimates are prepared indiscriminately, that works are undertaken without regard to funds available etc	Generally budget for the coming year is prepared in April or May and as far as possible Budget is prepared accordingto the then existing information. In the Trust Board some works cannot be anticipa--ted and these have to be carried out immediately as necessity arises It is for this reason a sum of Rs 25,000 for such unanticipated and special works was being budgetted for in the previous years. But owing to financial stringency the practice was given up. With the renewal of this lumpsum grant, the need for departing from the Budget will largely disappear.
A register of appropriations is to be opened to regulate expenditure on works	This is being done Inough the schedule of expenditure was serving the purpose yet a register of appropriations is now opened
35 to 44 Points out that an up-to-date register of measurement books is not maintained, nor the abstract of measurement books showing receipts and issues, that measurement books received long ago are not taken to account, that no entry of returned books is being	A register is since opened and completed books have been handed over to records Books that are not required were sent back to Government press The other suggestions which are obvious rules of procedure have been adopted.

made in the register, that half yearly return of measurement books is not being received and scrutinised, that return of measurement books from subordinates should be called for and that periodicals submission of measurement books should be insisted in future, record kept and reviewed - Lastly suggesting some remedial measures.

45 to 49 Register of bills received, objections raised Register of bills received not posted correctly.	Bills that are received in a complete form are entered and incomplete ones are not taken into account If the bills were not available for inspection, it is not understood how these details are noted in annexture A Part II
2. Bills received not being serially numbered	They are being serially numbered now.
3. Disposals not being noted correctly.	Being noted correctly
4 Pending list not being prepared accurately-	Being prepared accurately
5 Three more columns for date of issue of cheque , date of payment in Treasury and initials of officer may be opened in the bills received register.	Since opened.
6 Running bills are not serially numbered	They are being numbered

7. Proper scrutiny over bills received is not exercised.	The Manager is also checking the bills
8. Considerable delay is allowed to occur between the dates of measurement and dates of payment.	The delay in payment is mainly due to want of funds at the time or to the contractors not signing the bills owing to their absence from the place
9. Considerable delay is also allowed to occur between the dates of receipt and date of payment of bills.	Do.
	7 Mutchalikas are being taken from the task workers and the schedule of rates of other Divisions are being adehered to As the Comptroller wanted a separate schedule of rates pertaining to the Board , it was prepared and submitte Government for sanction
50 to 53. Register of liabilities- Pointing out that no register of liabilities has been opened, that all liabilities whether sanctioned or not to be noted in the register and that all items of adjustment to be noted in red ink	A register is now opened, but seems to serve no useful purpose as the liabilities to be recorded are s few and obvious Noted Noted
54 to 57 Register of miscellaneous Revenue yielding properties- Register of revenue yielding properties not posted up-to-date, Question of recovery of amounts.	A list of revenue yielding trees and survey lands so far known has been prepared

realised by Municipality to be settled. The Trust Board has at present no account of its own revenue yielding properties	Noted. The Trust property register are under preparation shows clearly all the properties belonging to Trust Board
Register of miscellaneous properties Amount not realised for items 1,2 and 3 for the year 1923-1924.	Under correspondence and investigation
Lists of sales conducted by the Avenue Inspector not ratified by the Board	These are petty sales confirmed by the Chairman
No check is being exercised on receipts from the Avenue Inspector, such as sale of Avenue plants from the nursery and sale of dead trees etc.	The Avenue Inspector's receipts are being checked by the Municipal Engineer The Manager of the Sewage Farm who is looking after the Avenue Nursery keeps accounts of sale and free issue of plants to Government Departments
58 to 62 Construction of Municipal Office buildings- Para 58- Points out that the revised estimate for Municipal Office is not signed by the Secretary, Revenue Department and that it is not possible to say whether the copy of the estimate signed by the Executive Engineer and kept in file is the one sanctioned by Government	The amount of the revised estimate as submitted from this office was Rs 3,08,700 and that sanctioned by Government is for Rs 3,02,800 as per corrections made in the Chief Engineer's office as a token of technical scrutiny in that office (vide initials) So the estimate for Rs 3,02,800 in the file is the one sanctioned by Government as can be easily verified from the letter conveying sanction to the estimate

informing that Rs.3,02,800 is sanctioned by Government. Government generally convey sanction to the estimate in their covering letter. The Secretary to Government may be asked to countersign the estimates in future specifying the amount in figures and words to prevent any suspecion of substitution

59 to 60- Items of work costing Rs 60,000 to be deferred as per Government Order and Chief Engineer's suggestion Hence it is assumed that their execution is not sanctioned and even before submitting the revised estimate some of the above items had been executed vide statement

The expenditure already incurred had been overlooked when the original report was made to Government Sanction of Government since obtained to proceed with some of the deferred works in question, e.g compound wall with ornamental railings, vide Government order No.L 3945-8/M1.34-24-9 dated 27th November 1924

61 Pointing out that the original tender of the contractor is sanctioned in the year 1917 by Government and arguing that revised estimate rates for work done before submitting the revised estimate cannot be allowed unless explicitly sanctioned by Government

Government sanction has been asked for to pay the contractor as per revised rates approved by the Chief Engineer and orders thereon are awaited The understanding is to give the rates retrospectively although no payments have yet been made according to higher rates proposed

62 Loan of mortar mill from Krishnasagara given to Contractor Government sanction to be obtained and rent of 15/- on cost price levied

Government sanction since obtained to debit the hire to Trust Board Funds vide Government Order No L 3157-60/M1 167-20-7 dated 17th October 1924.

Paras 63 to 68- Vani Vilasa Mohalla-

63 Stating that an estimate for Rs 2,63,158 is sanctioned vide Government Order No.2414-7/Ml. 62-17 dated 2nd November 1917 but the administrative sanction was accorded to Rs 12,73,305

The estimate for Rs 2,63,158 is for the 1st stage and that for Rs 12,73,305 is for the full scheme including a portion of new Idga Extension.

64. Stating that the outlay to end of June 1924 is Rs 82,386 against the estimate for Rs 2,63,158, that sanctioned estimates and plans have been somewhere mislaid, that works are carried out as per personal instructions of the Executive Engineer and the Chairman and that the "C" register does not contain any sub-heads at all and the works done paid for without any scrutiny whatever.

The sanctioned estimates and plans have since been traced Lumpsum provisions had been made in the original estimate for many items. Hence detailed estimates are being prepared in the light of actual work done or required, and sanction will be obtained. The expenditure incurred in the meantime, without a detailed estimate, is doubtless irregular.

65 Pay of temporary establishment charged to this estimate without provision

Necessary provisions have been made in the detailed revised estimates.

66 Expenditure on work done in New Idga is charged to this estimate though the works done are in different places Requires explanation for passing such debits.

The formation of the New Idga extension is included in the 3rd stage of Vani Vilasa Mohalla Extension and covered by the origina sanctioned estimate for Vani Vilasa Mohalla. A separate estimate for the new Idiga Extension estimate has however been since prepared

67. Chairman's remarks in "G" register regarding the billing of estimate etc , and commenting on it.

and submitted to Government for sanction.

The records have since been traced as already stated.

68. Stating that the expenditure booked in the "C" register do not work up to the total.

Not understood. Will be verified again and necessary corrections made if there be any difference.

69 to 77- Acquisition of properties in Kurubarahally Village.-

Para 69. Observing that an estimate for Rs.4,94,720 for laying out Alamahalli Extension was passed by the Board but the same was not sent up to Government, that an estimate for Rs.1,49,000 is stated to have been sanctioned in Government Order No. A.10205.L.R 24-16-28 dated 13th February 1919 against which an outlay of Rs 20,684 has been booked to date and that estimates and correspondence relating to the same are not available.

The estimate for Rs 4,94,720 was passed by the Board's Resolution No.5 dated 31st May 1915 but it was not sent up to Government owing to financial stringency and the much reduced grants to the Board. Although the Scheme was not sanctioned, it was ordered by the Government that the cost of acquiring the properties in Kurubarahalli Village (included in the said scheme) should be met from the Trust Board funds vide Government Order No.R.16985/7-411. 66-16-3 dated 30th June 1919 Accordingly the amount paid by the Palace was recouped and crop compensation charges were also paid. And no payment was demanded for the

70 & 71 It is notified in the Gazette Notification that the notified properties are for Palace, that the advance of Rs.8,200 made by the Palace is recouped to them

by the Trust Board without resolution of the Board on this behalf.

72 & 73. Stating that in pursuance of Government Order dated 30th June 1919, the Chairman gave a cheque for Rs 20,000 to the Huzur Secretary who in turn sent it to Mysore Sub-Division Officer for payment of awards, that the awards of the Sub-Division Officer of the properties notified is Rs 39,317-15-4 and that an outlay of Rs 20,684 has been booked and that the acquisition of these properties is not a legitimate charge to the Trust Board, they being outside the area of its operation.

74 & 75 Pointing out that it is not clear what happened to the properties so acquired, that the Trust Board had to bear the dismantling charges of the properties, that disposals of properties dismantled and levelled up not noted, and thattwo sites are handed over to the Palace without recovering the cost.

76 Observing that out of Rs 20,000 debited to Kurubarahalli Village acquisition, the Chairman in his No.537 authorised

sites handed over to the Palace

All these transactions occurred years ago and under the instructions of the Government and there is no use in trying to reopen them.

Since a sum of Rs 3,274-12-9 only was spent for the acquisition of Holeyar houses in Kurubarhally, the balance amount of Rs 16,725-3-3

the Deputy Commissioner to utilise the un-spent balance of Rs.16,725-3-3 out of Rs.20,000 deposited to the acquisition of survey Nos. to Chamundi and Padavarahalli Extensions and that the expenditure may be written back to the respective estimates if sanctioned.

out of Rs 20,000, was ordered to be utilised for the acquisition of Survey lands for Chamundi and Vani Vilasa Extensions both being sanctioned schemes. Necessary write backs will now be effected to the respective schemes.

77. The Deputy Commissioner may be requested to furnish the details for the charges incurred with necessary vouchers.

Yes. The details will be got from the Deputy Commissioner early.

78 Filling in a portion of Purniah's Nalla - pointing out that an estimate for Rs 26,855 has been sanctioned by Government in the year 1918 on the understanding that the charges should be met from the funds of the Mysore City Municipal Council as per suggestions of the Chairman vide report accompanying the estimate, that the outlay booked to date is Rs 27,074 and that the whole amount has been advanced by the Trust Board without apprising the Government in the matter.

Nothing is due from the Municipality as it was decided that the work should be carried out from the funds of the City Improvement Trust Board as per Government Order No R.5352-5/M1 12-17-74 dated 8th November 1918

Part I Section B

Further Improvements in Fort-

79 It is pointed out that two different estimates for improvements

in Fort have been sanctioned-en

(1) Sanitary improvements in Fort sanctioned in the year 1908 for Rs. 6,12,620 (2) Further improvements in Fort sanctioned in the year 1918 for Rs.11,59,800 that the latter contains a sub-head for Rs 75,000 for laying out grounds in Fort and that audit is not possible as no detailed estimates have been prepared for this sub-head.

Yes.

This estimate will now not be closed and any further expenditure will be regulated by fresh detailed estimates.

80. Pointing out that no certificate of count to measurement books has been given, that bill Numbers are not noted when measurements are crossed off.

Noted and this is being done now.

81 Observing that the estimate for Rs.1,67,572 sanctioned in the year 1917 for acquiring certain properties in Fort has been included in the consolidated estimate for Rs.11,59,800 sanctioned in the year 1918 and that in the schedule of expenditure and other registers Rs.1,67,572 is treated as an addition to the above two estimates viz Rs 6,12,620 and 11,59,800, which is incorrect.

Noted. Necessary corrections will now be effected.

82 to 87- Laying pipe sewers in No 3.Drainage area-

It is pointed out that the

details under materials account in the "C" register is not correctly posted, that the cost of laying 7" stoneware pipes works up to Rs 4-10-0 a R.ft nearly against annas 12 a R ft provided for in the sanctioned estimate and that similar defects are noticed in the case of square, rectangular and circular man-holes.

Some postings in the "C" register are wrong. The length of pipe lines laid and number of manholes constructed are not posted in severa instances. If the lengths and number are correctly posted corresponding to the expenditure noted in the "C" register there would be no great difference between the sanctioned and working rate. Investigation at this distance of time into these entries will serve n useful purpose as the entire estimates are being closed.

Pointing out that the pay of the pipeline staff is charged to this estimate without any provision therein and that the cost of laying pipesewers to the Bungalows on Yelwal road is charged to No III drainage area Part II though there is separate sanctioned estimate for the same

Necessary sanction has been obtained

Yes It is clearly noted in th sanction register that the cost o the work should be met out of the savings in No 3 drainage area Part Hence the debit

Paras 88 to 94-Laying pipe sewers in No V Drainage area.-

88 Pointing out that voucher 63 for Rs 131-3-0 bill of T.Dasiah is charged to No V Drainage area though the work done was for continuation of Krishnaraja Road for which an estimate is sanctioned by the Board and that

a rate of 8½ annas a cubic yard for earth work cutting and carting is paid against 8¼ annas a C yd provided for in the estimate.

This amount has since been written back to the estimate for the continuation of Krishnaraja Road since sanctioned by Government An average rate of 8¼ annas is provided in the estimate for earth work. The rates that are being paid are 8½ and 8 annas a C yd as per lead Hence there is no excess here

89 & 90 That bill No.1 of Gaddelinga for improving storm water drain is charged to No V drainage area which is irregular, and that the number of the measurement book is not entered in the bill and calling for reasons as to why this was charged to No V Drainage area though there was a separate sanctioned estimate for improving the storm water drain in No.V Drainage area.

The number of the measurement book will now be entered in the bill As this work is in No.V Drainage area it was charged to that estimate. No doubt there is a separate sanctioned estimate for Rs.6,360 for improving storm water drain in No V drainage area but it is in a different locality i e.from the old Cosmopolitan Club to Prince of Wales Road near Dispensary. Hence it was not charged to that estimate.

91-94. Pointing out the differences in cost between the sanctioned rates and the rates arrived at from the postings of the "C" register regarding the length of pipe lines laid, number of man-holes and flushing tanks constructed.

<u>Vide</u> explanation to paras 82 to 87

95. Improving Fort South gate road.-

The estimated quantity and cost are not entered in the "C" register.

Will be attended to

96. Improvements to Doddapetta road-

An expenditure of Rs 928 has been incurred without a sanctioned estimate.

This was evidently overlooked and as the work is completed, no further action seems necessary

97. New Military Camping ground.

An expenditure of Rs 11,958 has been incurred without any sanctioned estimate either by the Board or by the Government and without being posted in the "C" register.

An estimate amounting to Rs 14,300 for layingout the New Military Camping ground has been sanctioned by the Board The estimate includes both Acquisition and layingout The amount of acquisition viz Rs 10,500 has been paid by Government after due sanction

Paras 98 and 99 List of vouchers due- Pointing out that 153 vouchers for Rs 1,13,639 are wanting for acknowledgments from parties for adjustments effected towards the amount due to the Trust Board and insisting upon a register being opened in the form suggested to facilitate the disposal and that certificates of payments prepared

A register is opened and the number of vouchers due is entered Some vouchers and certificates of payments were sent and further action taken for getting the remaining vouchers. Many items refer to payments made to other Departments and others, as pointed

1or vouchers which are missing.	out by the Special Officer, represent adjustments for which one voucher in respect of all associated transactions is obtained
	Noted.
10/to 118. Irregularities in award.-	
100. Properties acquired by mutual agreement in furtherance of schemes not sanctioned, nor any mutchalika from the party taken to the effect that he has agreed to the acquisition.	Properties under mutual agreement can be acquired only if the party agrees to it. If he had not agreed it could not have been acquired acquired at all.
101 to 103- Pointing out that in some cases purpose for which the property was acquired has not been noted, that in large number of cases 15 % for compulsory acquisition and large sums for rounding are added to the value of the property, that in few cases the awarded amounts are altered and larger sums added on the representation of the parties.and that free grant of materials in a number of cases have been ordered in addition to the awards.	The purpose will be noted in future.
	The preliminary estimates made prior to the declaration of properties for acquisitions are mere indication of their rough and approximate value necessary to be provided in the event of acquisition, but the Market value which has to be ascertained by the awarding officer as per sections 23 and 24 of the Land Acquisition Regulation, and the estimates made by the subordinates cannot be treated as binding or conclusive on the awarding officer. Rounding

off was also considered a matter of discretion, to make up for minor items that do not admit of correct valuation

The free or concessionary grant of materials was a recognised practice since the commencement of the Board's operations- (vide Government Order No 3347-8/Ml.(60-05) 8 dated 26th September 1905) Anyhow, the procedure in all the above respects has been changed in conformity with the recent instructions of Government contained in Government Order No L 7755-57/Ml 68-22-39 dated 29th March 1924

Acquisition of site Nos and 15 for widening Sayaji Rao by mutual agreement-Estimate etioned.There is no evidence e party having even seen the s.

There is a sanctioned estimate for extending Sayaji Rao Road, it should be extending and not widening the road, vide explanation to para 100 It is not understood what is meant by party not seeing papers

105. It is pointed out that erty No.272 was acquired by agreement for improving way Station Road at a cost of 1,800 without Board's approval the cost debited to sition of properties in r Mohalla, that the estimate not included in the original ement scheme, that the scheme a whole exceeds Rs 2,500/- that ion of Government to be obtain for the deviation and that though

The acquisition was made in pursuance of Board's Resolution No XI at the meeting held on 6th December 1919

there were claims in respect of the payment of award, the same not noted in the index book nor disposal noted in the claims register.

The claim petitions are filed with the Records. Disposal since noted in the Register.

106. There is no uniformity in the valuation of properties and different rates are awarded for the same units without any reason

The unit may be the same but the rates vary according to the kind of materials used, quantity, quality and situation of the site etc.

107. Case No.10-Chennaiah- The award is by mutual agreement acquired for widening Railway Station road for which there is no sanctioned estimate.

The scheme has been long under contemplation and an estimate is now under preparation

108 Case No.12. No award passed by officer- valuation is Rs.70 while payment was for Rs.100- Purpose for which it is acquired not noted.

The acquisition was by mutual agreement Hence no regular award Rs 70 was a rough estimate by Sub-~~Division Officer~~ Divisional considering the market value, Rs 100 was fixed as a fair price by the Chairman The property was acquired for improving the the junction of Deevatige & Viceroy roads This is noted in the top of the estimate

109 Case No 14 Date of award 8th December 1914 Amount awarded deposited in Court Materials ordered to be given free by the Chairman on 28th August 1923.

The materials were given when the house was demolished, after possession was taken

110 Case No.22 Bl 79
Property (146)2145-
Materials not granted free, out removed by Mahamed Ghouse. Why M.Ghouse was allowed to remove when there were five other claimants may be explained.

Out of Rs.190 awarded for the property Rs 19 was deducted for materials and the balance was sent to the District Judge. From the records it is seen that Mahomed Gouse was in possession of the property

111. Case No.23 Block 79- Award passed on 9th December 1914 Possession taken through Court on 28th November 1923 Materials stated to have been auctioned when and what amount was realised cannot be made out

Rs.35 realised and credited on 7th December 1923 (property No.247)in Block 45 acquired from Kempiah- vide also page 3 of measurement book No.18 A/20 of 21-22.

112. Case No.25 Block 79 The Board decided to withdraw from acquisition vide note of Acquisition Officer- approved by the Chairman dated 6th July 1916 and without heeding to this order acquisition proceeded inspite of party's protest

Case No 25 refers to property No 21 in Block 18 of Lashkar Mohalla and not to Block 79 as stated.
It is not known what particular case the Special Officer had in view

113 Case No 84 of 1922-1923- Area notified for acquisition was 119 square yards but area acquired was 130 square yards. No reasons stated for extra bit acquired. There is a claim for a bit 11'X12' acquired for opening a lane The claimant says this bit is included in the above property but the Sub-Overseer denys it.

Property No (316)Bl 80-2-83. At the time of award the land was measured and was found to measure 130 square yards This was acquired The bit has not yet been acquired.

114. Case No 2 Award passed on 6th February 1924. Materials taken by owner on 29th February 1924 orders granting the materials made on 7th March 1924.

Vide reply to para 109 Order for disposal of materials is generally passed after the property is taken possession of.

115. Sites belonging to Trust Board were sold in the year 1918 and 3 years later the same were acquired by paying more than double the amount of sale. Why advantage was not taken by enforcing the conditions in the mutchalikas by resuming the sites by returning 75 % of the paid amount may be explained.

These sites were originally sold as building sites. But later on it was considered that the land might be required for Medical College or other Government Institutions and hence reacquired Naturally the parties had to be paid the then market value

116 No 41 and 42- In this case there is an award for Rs 161 for a well and the party has resigned her claim. The award is neither noted in the award register nor any note is made on the award itself Petition of Dasappa claiming a portion of the award has not been disposed of. Although Doddiah son of claimant has has in his statement before acquisition Officer stated that the property is ancestral and Dasappa is his brother no notice appears to have been issued to the latter under Sections 9 & 10 of the Land Acquisition Regulation

As the claimant wanted that the well should be kept for charitable purposes, it was not taken over by the Board. Hence no action taken

117 Case No 23 A bit of land

294 square yards is acquired for Rs 150 without any estimate by mutual agreement. The amount may be paid for the benefit of the Makkan on all interested parties agreeing to do so If there are other interested parties it is not understood how theye could be acquisition by mutual agreement

The only persons known to be interested in the property are Makobul Shaw, Mahomed Hashain Abdul Khader and Abdul Razak- on whose joint receipt and mutchalika - payment has been made since.

118. Case No.24- Remarks as above- A sum of Rs4300/- has been awarded as compensation for Amala Devatamma's Temple in Fort and is shown in the statement of award's pending. The Chairman has ordered on 10th March 1924 that a new temple may be built but before this the new temple has already been built and paid for debiting it to further improvements in Fort.

This is a property in the Fort and appears to have been dealt with on special considerations

119 Site ledgers- It is pointed out that one of the principal sources of revenue of the Trust Board is the sale of sites formed in newly laid out extensions and those formed by the clearing of properties acquired for Sanitary Improvements of the City, that the accounting of these sites are in great confusion and that a plus and minus memo of sites sold and recoveries effected is being sent to Comptroller monthly and that

A register is now opened and the available sites are being noted therein.

This has since been verified with the ledgers and a report sent to Comptroller in this office No 1164 dated 20th January 1925 The corrected figures have been accepted by him vide his No.1178/WAD I dated 13th March 1925

the figures do not agree with the figures as compiled from the individual ledger accounts.

120. Comptroller has no means of verifying the correctness of the entries as no detailed statement of sites sold and recoveries effected is sent to him.

Entries are made with reference to cash book and original sale papers Details do not seem to serve any purpose, but involves only extra labour.

121. No check is being exercised by a responsible Officer on the entries in the ledger accounts which are not opened according to Mohallas or Drainage areas rendering tracing of individual sites in the ledgers difficult Particulars relating to sale of sites, rate of interest to be levied natureof recovery of the instalments to be noted in Ledger Accounts

This is now being done.

Ledgers are opened as transactions take place, and no difficulty is felt, as site registers show the disposals. The particulars are being entered Interest being uniform, viz 12 % , it is not being entered.

122. Nocorrect list of vacant sites or bits of land available is maintained The existence of sites formed when properties were acquired is being brought to light while posting disposals to Trust property registers and such sites and bits of land are now being sold and noted in the vacant site registers

This is now being done,with the completion of the Trust Property Register, a correct list of bits available. can be had List of available sites can always be had even now Even correct plans showing available sites and those sold in all Extensions are maintained for the information of the public.

123. Papers, connected with sale of sites are not properly arranged and easily traceable . Sometimes only mutchalikas for sites sold are obtained and filed and the connected papers not available These may be properly arranged and counter references given to the entries in the ledger.

They are arranged in monthly bundles, and all connected papers are being filed. There is no difficulty in tracing out any reference.

124. When sites are given in exchange the transactions are to be clearly noted with the circumstances that led to the exchange.

Exchanges are being noted in the Ledgers, which are only account books, not intended to explain the acts of the case.

125. Pointing out that neither interest nor principal was recovered from Mr.Ramasastry, Revenue Accountant,Trust Board, for a site sold to him in the year 1920 that site No 15 in lieu of the original site was given in Weaver's Lines on 20th February 1924 and that no regular recovery has been made from him though he is in office.

para 125 Recovery is being made from his pay now. para 126- Section 25 of the Trust Board Regulation vests in the Board complete powers of disposal over Trust properties. According to para 2 (4) of this Government Order "failure to pay any instalment will render the party liable to pay it together with interest &c" The use of the word "liable" clearly shows that it is the maximum penalty which the Board is authorised but not compelled to levy in every case.

126. As per Government Order dated 31st December 1918 mutchalikas should be taken in all cases and interest claimed why there should be an exception in Vani Vilasa Mohalla, Lakshmi--puram Extension and Vani Vilasa Road is not clear.

Resumption of sites is the extreme penalty to be applied only in very bad cases and it is open to the Board whether or not to enforce it according to the circumstances of each case- just to popularise the construction of sanitary and decent houses, which is the main function of the Trust Board, some concession was shown according to circumstances.

127 Urging the necessity of overhauling the site and ledger accounts and reconciling the differences between the plus and minus memo after verification and insisting upon monthly submission of plus and minus statements accompanied by a statement supporting the entries.

The ledger figures have been verified and a plus and minus Memo sent to Comptroller accordingly vide Para 119.

128 Suggesting the maintainence of an index book blockwar and Mohallewar of the sites to note their disposal quoting references and insisting upon the review of the same by the Gazetted Officer atleast once in half year, and annual account of the Booked value of vacant sites may be prepared to note the asset of the Board.

The New register of Trust Property gives all the information and is supported by a set of key-plan.

129. Suggesting the method of incorporating new sites in the site ledgers by the Revenue Accountant after a separate sheet is furnished by the Section Overseer quoting references to plans and estimates and measurement book, duly signed by the Executive Engineer.

Noted.

130 to 133 -Model houses-

It is pointed out that there is a difference of Rs.131-4-5 between Model House ledger accounts and the plus and minus Memo, that the difference should be reconciled early, that bonds executed by the parties in the case of eight cases may be registered early, that the model houses for which there are no offers may be let out for rent and that the recoveries of instalments promptly effected by enforcing the terms of the bond.

The difference will be traced and reported. Steps will be taken to have the bonds registered. There are no offers to take the houses for rent. . If there be any, they will surely be let out.

134 to 138 Loans-

The difference of Rs 39-5-7 between the accounts balance and the ledger balance may be reconciled early, that loan accounts are maintained by individual ledger entries that 37 cases aggregating to Rs.2,985 are pending with the Deputy Commissioner and that timely reminders may be sent to him etc.

Noted.

Ledger balance will be adopted.

Pointing out that interest due periodically has not been taken into account while calculating the amounts due to the Trust Board. The balances have been allowed to run for such a long time and interest is being charged so that in some cases the purpose of assisting the dishoused poor is defeated.

Interest is always a fluctuating item. Its calculation and incorporation in periodical returns will involve much labor. As it is only a minor item it is calculated and recovered at the time of payment

Suggesting that very small balances outstanding may be written off if irrecoverable that no note of return of document is made, nor the connected papers returned, that necessary note of discharge may be made in the ledger accounts if the parties fail to appear to receive their documents that the bonds may be kept separately bundled up and that a notification half - yearly made in the Gazette allowing reasonable time for parties to claim the documents failing which they may be destroyed.

Noted.

This is being made in the ledgers as well as in the connected files.

They will be picked up from Records and returned to the parties whenever demanded.

139 to 148- Miscellaneous advances.

Regarding miscellaneous advances to be recovered from the various Departments and the unusual delay caused owing the correspondences for not taking the approval of the

A detailed statement has been prepared and forwarded to the Comptroller in this offi No 611 - - - dated 4. November 1924

As regards miscellaneous advances on account of shifting the fountain near Nanjaraja Bahadur Chatram and laying out Kantharaja Urs Chowk sanction of Government since obtained to debit the cost to Trust Board funds.

149 to 160- Sale of materials of dismantled houses-

149. It is pointed out that old materials of dismantled houses is either sold in open auction or the owners of the houses are allowed to remove the materials and the amount to be recovered from them on this deductedfrom the awards due, that the awarding officer has allowed the free grant of materials in addition to the usual compensation, that the only large auction of materials conducted by the Board is of Sir M.Kantharaja Urs's house that the sale of materials were conducted on 16 different auctions by the Executive Engineer that no inventory of materials taken before dismantling the house and that it cannot be made-out that the book contains all the available materials removed from the dismantled house.

Wide explanation on paras 102 and 103. The sale of materials got from dismantling Sir.M.Kantharaja Urs' house was conducted bythe Executive Engineer and once by the Chief Officer. A correct inventory before dismantling is impossible as some materials such as bodiges, wooden supports and stone slabs are imbeded in masonry and thatty walls. So,as the dismantling progressed, inventory of aritcles was also made side by side and the materials sold by auction in lots.

150 That the sale lists show a realisation of Rs.15,876-10-0 and that remitted by the subordinate is Rs.15,901-2-0 resulting in an excess of Rs.24-8-0 and how this excess was recovered by the S.O and refunded to him may be made clear.

The subordinate in-charge appears to have explained the facts in detail to the Chairman who ordered the refund of the excess amount remitted under the circumstances explained.

151. That in several cases the highest bid has been corrected to smaller sums in the sale lists with remarks party did not turn up and as to why the differences in amount were not recovered from the defaulters, that the signature of the officer conducting the auction is wanting in the cases of cancelling the first bid, and for the amount collected on each sale day and that it is not possible to make out if the advances received from parties are refunded to them or fore-feited to Government in the case of defaulters.

The difference in amount by re-auctioning the materials once sold could not be recovered as the parties were not known Inspite of advertisements and tom-toming and without even insisting upon advances being paid before bidding, very few people used to attend the auction and bid and those articles for which there was no reasonable bid were removed to stores. Hence rigourous rules could not be enforced . In some cases when parties paid money advances were recovered and in no case the advance was returned In all cases the parties paid the balance amount and removed the articles purchased by them

152 That a sum of Rs 290 was remitted being the cost of bricks sold and that no accounts are maintained as to how the above amount was realised and if this represents the entire sale proceeds of bricks contained in this huge building.

The sum of Rs.290 credited as being the cost of bricks should be considered very reasonable when it is seen that the building was constructed with brick in mortar and thatty walls Very few full bricks could be had while dismantling old walls built in mortar. These bricks were got owing to the very careful handling while dismantling It may be seen that in no instance there was any such realisation(i.e from sales of bricks) even when big properties were dismantl in Fort.

153. That the building before it was dismantled contained Rs.70,367 worth of sound and valuable materials that the auction lists show a realisation of Rs 15,876-10-0 that issues to private parties and other Departments come up to Rs.11,236 making a total of Rs 27,112 and that no credits are given against the amount, that the total amount realised work up to Rs.26,636-15-1 and that the difference should be made clear.

It is not understood how it was made out that Rs.70,367 is the value of sound and valuable material It can be seen by a perusal of the award that the estimated value of the whe building excepting the cost sanitary fittings, plaster pipes and stair cases is Rs 70,367 which amount inc the cost of the labour ch also No amount was real Sanitary fittings and pi

as these are still kept in stores being corroded or damaged and very little amount was realised out of stair cases. In any building the cost of masonry i.e. brick work will always be a big figure and very little could be realised out of this for reasons already stated above. Hence it may be seen that the amount realised i e.about 27,000 is a very fair and reasonable amount i.e over 35 % of the estimated value of the building proper i e (excluding compulsory acquisition amount for) when compared to the general realisations of dismantled materials of other buildings in Fort and City which range only from 5 to 20 % . Thus it can be seen that in no other instance such a good income has been realised. Only in 3 or 4 cases, the Palace have bought the materials for 20 % of the award amount As per figures worked out in this office the cost of these materials comes to Rs 27,112-11-1 including the estimated value of materials in Stores etc , Hence there is no difference.

154 & 155. That some sale lists were not produced during inspection and that the sale connected with the materials of Sir.M.Kantharaja Urs House is not confirmed by the Board as required by Section 25 (2) of City Improvement Regulation.

Some lists were mixed with records and hence could not be readily had when asked for.

These being executive functions all sales were confirmed by the Chairman till now.

156 That periodical recoveries are being effected from Chinnaswami Pillay at Rs. 7/- per month and that it is not possible to make out when and what materials are sold to him and the balance amount to be recovered.

The recovery is on account of dismantled materials sold to him and the whole amount was recovered.

157. That auction rules as per Government order dated 24th January 1923 were not strictly adhered and that the sale list was not sent to comptroller as per rule 8.

The Government Order referred to is for sales of Tools and plants and materials in P.W.D and not to these sales in Trust Board. These sale lists are to be filed with acquisition files which may be seen during audit. If these sale lists are sent to the Comptroller, the file will be incomplete and the details of materials sold could not be had for reference

158 & 159. Suggesting procedure to be adopted in future in conducting sales and insisting upon opening a register in the form prescribed.

Noted.

A register will be opened.

Mysore,

10th April 1925.

M. S. Ramaiah

Chairman,

City Improvement Trust Board.

G R S III 2]

General and Revenue Secretariat

3869

File No. of 19

Serial No

A note on the Income Tax Bill to be submitted as per wish of the Dewan

Dewan

8.9.26

NOTE ON THE TRUST BOARD REGULATION AND ITS WORKING

---------oOo--------

Part I. Provisions of the Regulation

1. The Trust Board Regulation was passed in November 1903, to improve and expand the City of Mysore. To carry -- out these objects a Board of Trustees was constituted The main provisions - of the Regulation which have a bearing on the points dealt with in this note -- are summarised below

2. The Board of Trustees is created as a body corporate with perpetual succession and a common seal This Board consists of 9 Trustees of whom the Chairman to be appointed by Government presides over its deliberations. The Chairman has power to enter into contract or agreement with outside public -- on behalf of the Board if the value - - thereof does not exceed Rs 1,000 and if the value exceeds Rs 1,000 he has to obtain the consent of the Board The - - main functions of the Board are -

(a) To draw up schemes of improvements under Section 14 of the Regulation

(b) Acquire and hold property belonging to the Trust

(c) To lease or sell properties -- belonging to the Trust

(d) To appropriate or apply the - whole of the property for the formation of open spaces or - for building purposes

3 By Section 27 the Improvement Fund which mainly consists of the - - contribution made by Government is to be applied for meeting all charges -- incidental to carrying on the provisions of the Regulation The Chairman has been given ample powers under the Regulation. He has been given - power to enter into all contracts or agreements if the value does not exceed Rs 1,000 (vide Section 10) -- Under Section 12 he should carry into effect the resolutions of the Board - and exercise supervision over the employees in matters of administration and in matters concerning accounts -- and records He carries on correspondence with Government without any intervention of the Board and executes the works of improvements The - - Board do not seem to have any powers to check the works and pass bills. -- This is mainly left to the Chairman They have not been given power to - - pass the accounts Under Section 28, the Chairman only lays before the - - Board the budget estimate of the year If the amount spent by the Chairman is within the budget allotment, no one - will have any control over the Chairman for the expenditure though the -- duty of carrying out the provisions - of the Regulation is, under Section 3 of the Regulation, vested in the - - Board Section 46 of the Regulation

provides for bar of suits for damages for any act bonafide done or ordered to be - done by the Board, any Trustee or servant of the Board.

Part II Defects

4. It is to be noted from the above summary, that no provision has been made in the Regulation for an appellate au- - thority over the Board to supervise the acts done by the Board and its Chairman except the Government No provision is made in the Regulation to scrutinise the works carried out and payments made - - therefor Even the Board has no control over the Chairman who makes payments for the work performed It is this officer that makes the payments and reports the matter to the Government The Government have no other report except that of the Chairman to assist them in ascertaining the correctness of the accounts furnished No independent body certifies to the exact valuation of the work actually executed

5. No provision is made in the Regulation to have any control over the - acquisition of properties by the Chairman who has been made the Land Acquisition Officer and over the awards made by him There is no control over his acts in disposing of the materials and properties acquired Though the Board have power to sell or lease properties

whose value is more than Rs. 1,000 -- Many cases fall below Rs. 1,000 and -- the Chairman practically deals independently in all matters connected - - with the Trust Board without the intervention of the Board who have not been given any power to control the Chairman in the matter of keeping Registers, ensuring correct entries of figures of expenditure or to maintain correct - - list of sites. ~~as many transactions.~~ -- There is no provision made re. the - - liability for the misapplication of -- funds as in the Local Boards and Municipal Regulations

6 The principal defects noticed in the course of inspections and audits are the following -

(a) Works are executed without -- any estimates in some cases

(b) Sanctioned estimates are not adhered to and excesses are incurred without submission of revised estimates and getting sanction thereto

(c) Estimates sanctioned long ago are worked for several years and brought forward without any regard to the funds - - available

(d) Proper vouchers are not promptly furnished to the Comptroller for outlay incurred

(e) Properties are acquired without due sanction in some - - cases

(f) Materials of acquired houses are in some cases given free or at ar arbitrary rate to - owners. No proper account of materials is kept and no general principle is observed in regard to their proper valuation

(g) No effective check is exercised over bills submitted by contractors for demolition of acquired properties

(h) Register of properties, Compensation Register, Claim Register, Petition and Notice Registers are incomplete

Part III. Remedies.

7. The Government seem to have been impressed with the necessity of appointing the Chief Engineer to check the estimates prepared by the Board so far as the engineering features are concerned Under G O. Nos. 3311-5/Ml.440-07-5 dated the 20th September 1908 and 21-5/Ml.211-08-4 dated the 2nd July 1909 the Chief Engineer was given control over the works carried out by the Board and it was directed that all new or revised projects sent up by the Board should be carefully scrutinised and checked by the Chief Engineer in respect of their engineering features This control does not extend to the works completed, as the Chief Engineer is not authorised to check whether the works are completed in accordance with the estimates As already stated in para 4 there is no authority except the Chairman to certify to the proper execution of the works and to the correctness of the payments made It is to be noted that the Chairman is the superior authority over the Executive Engineer who is not an independent person. On the recommendation of the

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Executive Engineer, the Chairman passes bills and makes payments. As the Chairman is not a technical man, it follows that payments of several thousands of rupees are made solely on the authority of the Executive Engineer. This is not a desirable state of affairs, and it is a question whether anybody in particular will be called upon to bear the liability if any misapplication of funds takes place The Board may plead their non-liability on the ground that they have no hand in passing the bills and that they have no control or management over the works when once schemes have been drawn up and approved by Government [It is necessary to consider the liability of the Chairman and the Executive Engineer as the several irregularities noticed above give rise to misapplication of funds. Having regard to the considerable sums expended till now and to the several irregularities noticed, it is a matter for consideration whether a committee should not be appointed to investigate ~~whether the works have been carried out in accordance with the estimates~~ further into the matter of misapplication of funds if any.

8. It is essential that the Regulation should either be modified or proper rules made to remedy these defects in the following manner -

manner -

(a) There should be a technical -- appellate authority over the action of the Board, preferably the Chief Engineer for Irrigation in Mysore to supervise and scrutinise works

(b) No final payments should be --- made without the consent of -- the Board

(c) The Board should have effectual control over the Chairman

(d) The Chairman should have no -- power to enter into contract without the consent of the -- Board

(e) The awards should only be made by the Chairman with the consent of the Board, in other - words, if the Board is given - the powers of making awards -- instead of the Chairman, there will be fewer cases going into court There is no reason -- why the Board should not be -- given this power

(f) No materials are to be sold by the Chairman by private sale They should be sold by public auction The consent of the Board should be obtained for accepting the highest bid

lease or sale of the Trust - -
Board property should take - -
place without the previous - -
consent of the Board.

(g) The Chairman should not have any power to act independently without the previous consent of the Board in making payments and the money awarded in pursuance of a warrant, ~~of judgment by the se-~~ ~~veral courts~~ This is necessary in view of the fact that complications may arise in making - illegal payments on the ~~principal~~ fault responsibility of the Chairman

(h) That at every monthly meeting of the Board the accounts should be passed by the Board as it is in the case of the Municipality and there should be an audit of the accounts by the members of the - Board once in 3 months and by -- the Comptroller once in six months

(i) The Chief Engineer should inspect the works of the Board once a -- quarter and his report should be reviewed by the Board.

(j) The Board should be made liable - for the executive administration. They should have control over the works to be carried out and all - payments therefor should be made with the approval of the Board

(k) A huge establishment is now maintained. In view of the limited grant made by the Government every year, it is a question for consideration as to whether in place of an Executive Engineer for the Board an Assistant Engineer may not be employed in view of the fact the Chief Engineer will be the controlling authority over him. The establishment charges now come up to about Rs 28,000 while the Government grant is Rs 1,00,000. It may perhaps be desirable to appoint a committee consisting of the Chief Engineer, the Comptroller and the Revenue Commissioner to investigate this question and suggest retrenchments

Part IV - Safeguards for misapplication of funds

9. There should be a rule to the effect that every person shall be liable for the loss, waste or misapplication of money or other property belonging to the Board if such loss, waste or misapplication is occasioned by his ~~a consequence for his irregularity~~ or misconduct while a member of the Board and that a suit for recovery ~~accounting~~ for the same may be instituted against him in any court of competent jurisdiction by the Government The provisions ~~are~~ similar to Section 45 of the Local Board Regulation and Section 42 of the Municipal Regulation may be inserted

Part V.- Appointment of a separate Chairman

10. The appointment of a separate Chairman independent of the -- President of the Municipal Council may perhaps be considered desirable. In G O No. 6862-8/Ml.77-07-6 dated the 17th January 1908 Government -- after careful consideration of the question decided to bring the Municipal Council and the Trust Board - under one administrative head in -- order to secure economy, remove - - friction between the two bodies and further the future entire amalgamation of these bodies The Deputy Commissioner and Ex-officio President of the Municipal Council continued to be the Chairman of the - Trust Board till 1913 when the - - system of having the Deputy Commissioner as the President of the Municipal Council was done away - - with Under G.O. No. 7035-8/Ml.295-12-1 dated the 4th March 1913 a separate whole-time Officer was appointed as President and Chairman and this arrangement was changed for a short - time in G.O No 4836-40/Ml.156-17-1 dated the 28th February 1918 under which a retired Chief Engineer was appointed Chairman of the Board. - The old system under which the - -

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President was also the Chairman was -- subsequently restored in G.O. No.11222 5/Ml.155-18-1 dated the 3rd March 1919 As the term of the present non-official President is to expire on 31st March -- 1924, Government may consider whether - the Trust Board requires to be placed under the Presidency of a Chairman who is not the President of the Municipal - Council

Conclusion

In conclusion I submit that in -- ~~consideration~~ view of the large amount of -- money spent upon the Trust Board works and the several defects noted above, it is absolutely necessary that the Regulations should be either amended early or the defects remedied on the lines indicated above

24 Jan 1924

E.W.M/2

No 4
file

OOFFICE OF THE DEWAN OF MYSORE.
~~MYSORE~~ 14 7 1924.

COMPTROLLER
14 JUL 1924
BANGALORE

14

The accompanying files relating to the Mysore City Improvement Trust Board with a note prepared in the Dewan's Office, are forwarded with compliments, to Mr. B.S.Raghavendra Rao, through the Comptroller for reference in connection with his special duty at Mysore.

"A" Collection - file No.77 of 1907-8 Sls 1 to 6.

Ml.211 of 1908 (Sls. 3 and 4).

Ml.207 of 1922 (Sls 1 and 3).

Ml.156-17 (Sls 1 to 6)

Ml.155-18 (Sls 1 to 6).

Proceedings for Nov.1903

Mysore Improvement Regn of 1903

Mr.B.Nagappa's note on the Trust Board Regulation.

The Dewan would be glad if the investigations are conducted on the lines of the Dewan's inspection notes, with reference to the irregularities pointed out therein The following matters require looking into -

Programme of acquisition.

Register of properties

Materials account.

Estimates for works sanctioned

It is understood that estimates were being exceeded without the submission of revied estimates with the result that the expenditure went on increasing without ascertaining the exact liability and without posting the C.Registers What is the total liability on all works sanctioned and how is it to be met supposing the Government continues to sanction at the rate of Rs.1,50,000 every year?

New returns for submission to Government, should be prescribed. The constitution of the Board, ~~should be examined~~ their corporate powers, whether they are jointly or individually responsible as trustees, should be examined and the defects of the existing law if any, should be noticed.

By Order,

Private Secretary to the

Note on

THE MYSORE CITY IMPROVEMENT TRUST BOARD.

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RETROSPECT.

The Mysore City Improvement Trust Board Regulation was brought into force on the 1st December 1903 and the Trust Board was constituted thereunder in January 1904 The main reasons that led to the creation of a special agency for the improvement of the Mysore City is thus stated by Government in the Statement of Objects and Reasons published with their Order dated the 10th November 1903 -

"It is essential to enlist so far as may be, the sympathy of those immediately concerned and of the public generally and this end could scarcely be achieved by a purely official agency At the same time, efficient management and prompt executive action are essential and it seems imperative therefore to appoint a special agency with a separate staff at liberty to devote its entire energies to the task presented"

It was on these considerations, that a Trust Board was constituted "with special powers to administer the funds placed at its disposal, to acquire and handle property and generally to carry out the necessary works of improvement". The scheme of improvement entrusted to the charge of the Board comprised "the formation of new and the alteration of existing streets, the removal or alteration of insanitary - buildings, the provision of proper drainage, and of open sapces for better ventilation and recreation and the construction of sanitary dwellings for the poorer working classes displaced in the course of the execu-

execution of the scheme. The Board was to consist of nine Trustees, 3 of whom were to be ex-officio, and the rest nominated by Government, so as to represent all the interests chiefly concerned. The main functions of the Board were -

(a) to draw up schemes of improvements under Section 14 of the Regulation

(b) Acquire and hold property belonging to the Trust.

(c) To lease or sell properties belonging to the Trust.

(d) To appropriate or apply the whole of the property for the formation of open spaces or for building purposes

The finances of the Board constituted mainly of the fixed yearly grant made by Government supplemented by their own miscellaneous income, and any contributions that might be made by the Municipality. The Board had no borrowing power The Chairman was given extensive powers both expressly and by implication and in regard to acquisition he was given the powers of a Deputy Commissioner under the Land Acquisition Regulation within the area comprising of the Trust Board jurisdiction The control of the Board's operations was vested in the Chairman. A fixed sum of three lakhs of rupees was placed by Government at the disposal of the Board for their operations which was, in 1909, held to include the opening balance and the income from properties. A full-time Chairman was appointed for the Board, which arrangement was modified tentatively in Government Order dated 17th Jany. 1908, under which the Deputy Commissioner, Mysore District, was appointed ex-officio Chairman in place of the full time Chairman.

By the end of December 1912, the project for the improvement of the Fort was almost complete, a sum of about 6 lakhs

having been expended for the acquisition and clearing of 342 properties and for opening a 60ft. wide road all round the rampart wall Up to then, not much progress had been made in the construction work of the Board and the Government, in their Order of 18th February 1913, hoped that good progress would be made with the comprehensive programme of works including under-ground sewers and out-fall works for the whole city, sanctioned by Government The Dy Commissioner of the Mysore District, however, not finding himself able, amidst his multifarious duties to devote adequate amount of time and attention to the affairs of the Mysore City which their growing importance and magnitude demanded, Government, in their Order of 23rd December 1913, combined the office of the President of the Municipal Council and the Chairman of the Trust Board in one and the same Officer and appointed an Engineer Officer for the combined post tentatively for a year with effect from 15th March 1913 In their Order of 12th July 1915, the normal State grant was fixed at Rs -- 3,75,000 This grant was increased to Rs 4,50,000 for 1916-17 in the Government Order dated 28th May 1917 In the latter part of 1917-18, the constitution of the Board underwent a slight change again by the appointment of a separate non-official Chairman, who was also the President of the Municipal Council Having regard to the heavy programme of works and with a view to secure the completion of the works within a reasonable time, Government, in their Order dated the 20th April 1918, classified the works into two classes -- Productive and non-productive -- the former to be financed by means of loans and the latter out of the annual State

grant, which was increased to 4½ lakhs for the next five years Accordingly, in the following year, the Board applied for a loan of five lakhs from Government for financing the Vantikoppal extension project and the scheme for housing the poor Though the loan was not granted, the Government offered a guarantee for the payment of a reasonable interest if the Trust Board could raise a loan with the co-operation of the Municipality. With a view to secure the systematic and speedy execution of the necessary works, a quinquennial programme was also prescribed in the Government Order dated the 14th December 1918.

In the Government Order dated the 11th December 1919, the work of the Trust Board was reviewed from its commencement till the end of the year 1918-19 It was observed that although a sum of Rs 8.84 lakhs had been expended out of the estimated expenditure of Rs 18.32 lakhs on the Drainage and Sewerage works of the City, a large portion of the work still remained incomplete and that greater attention should be paid for its completion Up to the end of June 1918, 4,153 houses were acquired by the Board, but only 3,215 new houses had been reconstructed both in the City and extensions The Board was requested to pay more attention to house the displaced population by constructing the remaining houses It was also observed that although the Board had spent altogether a sum of 52 lakhs from the commencement it could not be said that the sanitary condition was all that might be desired. The sewage and drainage works were not complete, and sufficient attention was not paid to house connections and flushing system. In regard to housing the poor, the progress so far made was not commensurate with the needs of the City, the houses built being only 105 In these circumstances, the Board was re-

requested to revise the programme of December 1918 and re-submit the same for approval. Sufficient attention was not paid to the collection of money due to the Board. Properties and houses acquired years ago had been allowed to remain in the possession of the previous owners The Board was accordingly requested to remedy the defects noticed above

Owing, however, to a policy of retrenchments, in all directions, the State grant was, under Government Order of 22nd April 1922, fixed at one lakh per annum for three years from 1922-23.

The work of the Board for the triennium from 1919-20 came in for review again, in the Government Order of 25th June 1923. The total State grant during this period amounted to Rs. 8,87,064, which with the other income of the Board, came to Rs. 11,81,605 -- available for expenditure. The outlay was mainly on acquisition as usual and the construction work was limited practically to the constructio of the Municipal Office. The value of improvements required to be effected by the end of June 1924 was Rs. 19,32,127 for completion of incomplete works But as this liability has been largely curtailed owing to the abandonment of the acquisition of a major portion of the declared properties and the modifications to the drainage scheme, the Board was requested to revise the programme so as to limit it to works of immediate necessity. It was also ordered that the establishment charges should be considerably curtailed and the recoveries of moneys due promptly made so as to improve the financial condition of the Board with a view to carry out the

triennial programme without difficulty.

DEFECTS IN THE ADMINISTRA OF THE BOARD.

The above brief summary shows the extent of the Board's operations and its finances. There is no doubt that large improvement works have been carried out at enormous outlay. A very large number of properties have been acquired, in fact, in some cases more than the funds permitted, incurring a heavy liability for the payment of compensation In regard to construction work, it cannot be said that proper scrutiny has been exercised either in the matter of preparation of estimates or execution, Excesses are allowed to recur as on ordinary case, without proper sanction. The result is, works have been going on from year to year without an eye to early completion and the funds at the disposal of the Board Provision of new houses did not keep pace with the demolition of old houses, with the result that the displaced population from one locality contributed to overcrowding in another. Adequate attention was not paid to sanitary improvements of the City, particularly in more congested areas. Extensions are laid out very far away from the City much to the inconvenience of the poorer folk

One of the items comprised in the scheme of improvement entrusted to the charge of the Board was to afford necessary relief to the poorer classes "displaced in the course of the execution of the scheme" This principle has been very clearly amplified in the following extract from the Proceedings of the Government of Burmah dated 26th May 1922 -

"His Honour thinks it necessary to add one work of caution, namely, that while carefully keeping before

it and following out its far-reaching plans for the development and beautification of the City theTrust must regard as a paramount necessity that suitable provision at reasonable rates should be made for pupulation which may be displaced in this process. The Trust exists to serve the interests of this poorer population as well as the other interests referred to above, and it would be lamentable if at any time the Trust could be legitimately charged with postponing the interests of the poorer classes to the interests of others better able to look after themselves

"The Trust should also consider what safeguards are necessary in order to prevent the land set apart for the poor falling into the hands of land speculators .. ."

But this question has been, for the most part, assigned a very insignificant place in the Board's programme.

Supervision over the works was not commensurate with the increase in the establishment charges In th Dewan's notes of inspection of the Trust Board Office in November 1922, the Dewan observed that in several instances, the sanctioned estimates had not been adhered to, but had been exceeded in the course of the execution and no sanction of Government had been obtained No general principle had been followed in making awards and in some cases, materials have been given away free or at an arbitrary valuation to the owners of the properties acquired There is no proper account kept of the materials over which the owner had absolute control and the actual cash payment did not set off the valuation of materials This procedur led to many abuses Compensation is not paid for - years together after the properties are acquired These same defects have been brought to notice by the

Auditor of the Efficiency Department who was deputed some time back to audit the acquisition accounts of the Trust Board On the whole, the affairs of the Trust Board do not appear to have been conducted on right lines

Comparison between the Bombay Act and the Mysore Regulation and the defects in the existing system.

The working of the Trust Board is regulated by the Mysore City Improvement Regulation. This Regulation has been modelled on the Bombay Regulation Act IV of 1898. The provisions in regard to important particulars are almost exactly the same in both. For instance, the Chairman under the Mysore Regulation has almost the same duties and powers as are conferred by the Bombay Regulation. The Board is a body corporate with perpetual succession and a common seal, which can exercise civil rights and is subject to civil liability. The Chairman is, however, to hold office during the pleasure of His Highness, while in Bombay he is appointed for a fixed term of three years on the pay provided for in the Regulation itself, and provision is also made for his removal at any time by Government, if he is found guilty of misconduct or neglect which renders his removal expedient The Board has exactly the same powers here as in Bombay, to acquire and hold moveable and immoveable property and has also power for its disposal Under both the Regulations, the Board has power to alter any part of sanctioned schemes without reference to Government provided that the excess expenditure involved does not exceed a prescribed limit which is Rs 2,500 in Mysore and Rs 5,000 in Bombay, but a report should immediately be made to Government with an explanation for the excess expenditure Under the Acts in both places, the Chairman

(1) may, on behalf of the Board, enter into any

contract or agreement whereof the value or amount shall not exceed Rs. 1,000 and every such contract or agreement shall be reported to the Board at the next ordinary meeting thereof

(b) shall attend every meeting of the Board unless prevented by sickness etc.

(c) carry into effect the resolutions of the Board.

(d) keep and conduct the Board's correspondence

(e) exercise supervision and control over the acts and proceedings of all officers and servants of the Board in matters of executive administration and in matters concerning accounts and records of the Board.

(f) furnish to Government a copy of the minutes of the Board's meetings and any returns or other information which Government from time to time call for

(g) shall at a special meeting every year lay before the Board an estimate of the income and of the expenditure of the Board in such detail and form as the Board shall, from time to time, direct

In practice, however, in Mysore, the Chairman exercises important powers which are not specifically reserved to the Board There is no provision made in the Regulation for the scrutiny of the works in progress and for the passing of the final bills by the Board. The Board does not exercise any control over expenditure on works for which there is no provision in the budget This duty is performed by the Chairman without any check either of the Board or of any outside technical agency

There is no control over acquisition of

properties and the awards passed by the Chairman He disposes of materials himself without reference to the Board. There is no guarantee provided against misapplication of the Board Funds. The Board's power of selling or leasing properties is exercised only when the value thereof is more than one thousand. It follows that the Chairman can deal with the sale of properties when the value is not more than that amount. In practice, most cases fall below this value and the Chairman acts in such cases quite independently of the Board.

The main function of the Board is the preparation and execution of schemes requiring the supervision, inspection and control of an Engineer Officer . .. The Chairman, being ordinarily a technical man himself, has to be guided solely by the expert opinion of his Executive Engineer (who is his subordinate) in certifying to the proper execution of the works and the correctness of the payments made. When thousands of rupees are thus paid to the parties on the bills not subjected to the scrutiny of the Board, no liability can attach to the Board if the funds are found to be misapplied or wrongly applied This is certainly an undesirable state of affairs, and should not be allowed to continue.

SUGGESTIONS FOR IMPROVEMENT.

The following are some of the directions in which improvement can be effected:-

It should be made specific that the Chairman should exercise no powers other than those expressly provided for in the Regulation and that in all other but mere routine matters he should act under the directions of the Board. The Board should have a certain amount of control over the actions of the Chairman in matters affecting the finances of the Board. The operations of the Board should be limited to the amount available for expenditure there for, and under no circumstances should estimates be exceeded without the orders of Government. The Board alone should be competent to alter the estimates and the Chairman shall have no power in this respect independently of the Board No scheme of an Engineering character should be submitted for sanction without a certificate from the Chief Engineer about the engineering details and the sufficiency or otherwise of the estimates. The disposal of materials and other properties belonging to the Board shall not be made without the previous approval of the Board. No completion bills should be accepted in audit without the countersignature of the Chief Engineer, after personal inspection

Under Section 9 (3) of the Regulation, the Board is empowered to appoint committees consisting of the Chairman and such other Trustees as they think fit. The Trust Board Regulation everywhere contains such a provi-

sion,

and in Rangoon, the Trustees work through 4 Committees of the Board for convenience of administration. (i) Municipal Relations Committee, (ii) Development Committee, (iii) Revenue and Finance Committee and (iv) Works Committee. "All matters in which the work of the Trust infringes on the work of the Rangoon Municipality, that is practically all the operations of the Trust, are first referred to the Municipal Relations Committee. . .. . In the discussions of this committee, all causes of possible friction between the two bodies are discussed and as far as possible settled before proposals are allowed to be carried a further stage The remaining three Committees consider each proposed scheme from the three aspects of development, finance and construction respectively. The Revenue and Finance Committee is also responsible for the preparation of the Budget and general supervision of the revenue and expenditure of the Trust."

A similar arrangement may perhaps be made in the case of the Mysore Trust Board. There will be no need for a Municipal Relation Committee here, but the constitution of the other Committees seem to be essential, if the present defects noticed elsewhere should be remedied as far as possible. The Chairman having to preside over each Committee, he will be kept informed of every detail of the Trust Board Administration. All work entrusted to the Board may be distributed to one or the other of the Committees according to the character of each Committee.

The Chairman's powers which he exercises at present will then be considerably curtailed and he will have only the powers expressly conferred on him by the Regulation and nothing more independently of the Board. He will also be able to supply information on every matter under discussion in the Committees and help to bring about correct decisions. He will

co-ordinate the work of the Committees and avoid all causes of friction The decisions of the Committees should invariably be approved by the Board before they are given effect to. But in emergent cases, they may be carried out and the fact placed before the Board at their next meeting. An adequate distribution of functions should be made among the committees so that the whole Board may have only to consider the recommendations of the Committees, sanction needful provision for works, and lay down general policy subject to the approval of Government.

As the Trust Board will always come into contact with the Municipality, it is necessary that the Municipality should be empowered to elect at least three members from among the Councillors to represent them on the Trust Board One of these members may be allotted to each Committee of the Trust Board The existing Regulation provides for three officers of Government on the Board There will then be left only three other members according to the present constitution, for nomination to the Trust Board Perhaps this number is too small and may profitably be increased to six, so that the whole Board may consist of the following -

6 Trustees elected by special local interests,

3 Trustees elected by the Municipality from among the Councillors,

3 Government officers nominated by Government

The advantage of placing one Municipal Councillor on each Committee is obvious. There

may be various causes of friction between the Trust Board and the Municipality and the correct view of the matters may be as far as possible placed before the Committees by the Councillor representing the Trust Board on the Committee. If this is done, there will be no necessity for a separate municipal Relations Committee as in Rangoon. It should be made clear that no Government Officer should be represented on the Committees, but in their official capacity they may be consulted on matters on which their opinion is material. The increase of non-official element in the Trust Board will also tend to educate the Trustees in the development of local Self-Government and give a direct insight into the working of the Board. The combination of the duties of the Chairman of the Trust Board with the President of the Municipality is not conducive to the efficient working of both the bodies. The original idea which led to the combination was to secure economy in the administration and also eventual amalgamation of the two bodies (vide G.O. of the 17th January 1908). Fifteen years' administration since then, has shown that far from economy, the establishment charges of both the bodies have increased disproportionately to the income and that it would be impossible for the Municipality to take up the work of the Trust Board also. In view of the expiry of the term of the present Chairman, time is now opportune for considering whether the existing order of things may not be altered with advantage. The three Trustees from the Municipal Council may be depended upon to represent the Municipality in the Trust Board in the place of the one who has to speak with all the authority of the President of the Council, and for that reason whose opinion will be entitled to respect

The above are only a few of the directions in which the affairs of the Trust Board may be placed on a more satisfactory footing.

The next question that will have to be considered is Trust Board finance

TRUST BOARD FINANCE.

As has been already stated elsewhere, the Trust Board has been all along working mainly with the aid of the State grants annually made to it, together with any income derived by it by the sale of sites etc , acquired with the aid of the Government grant The total sum received by the Board up to the end of 1921-22 from Government was about 55 85 lakhs This amount was supplemented by the sale proceeds of properties and other miscellaneous income aggregating Rs 8 75 lakhs, making a grand total of about Rs 64 60 lakhs, up to the end of June 1922 Of this sum, the Board has spent about 63 80 lakhs during the period The bulk of the expenditure was on account of acquisition of properties (24 lakhs), drainage and sewerage (7.20 lakhs), extensions (2 40 lakhs), public conveniences and attractions (3 50 lakhs), and establishments since 1919-20 (1 80 lakhs) All these and other works were carried out principally from funds made available by Government There are still a number of very important works postponed for want of funds A reference to the Government Order of 30th May 1923 will show that the income from the Trust Board properties is of fluctuating character and that it shows a gradual decrease from year to year For the triennium from 1922-23, the total income is estimated at Rs 1,75,000, the income for the last year of the triennium being estimated at

only Rs.25,000 against one lakh for the first year. Nearly the whole amount was ordered to be utilized for non-productive works during the triennium. The productive works were only 2, viz., Extension and Improvement of the Devaraja Market and the Improvement of the Mandi Market, at an estimated expenditure of nearly 2 lakhs. In their Order dated 16th April 1923, Government have observed that the schemes are all in the interests of the Municipality and they should be undertaken from the loan to be raised by the Municipal Council for the purpose. Thus, it will be seen that the Trust Board has no funds of its own to undertake productive works and all their income has to be applied to non-productive works which are numerous The Chairman says that unless substantial amounts are sanctioned for the drainage works, the work already done is likely to go to waste. The Trust Board is already committed to certain payments to the extent of over Rs.63,000 on account of acquisition. In these circumstances, it is absolutely necessary that all old works and schemes which have been partly started in the past should be forthwith closed and a fresh programme drawn up for the future so that the operations of the Board may be conducted on adequate lines limiting them to the funds available therefor during the year There is nothing by way of permanent assets of the Trust Board, giving them a recurring income every year. They have only an unstable income derived from the sale of sites or model buildings put up by them, and this, as has already been stated, is reported to be steadily decreasing.

Under Section 26 of the Regulation, a Fund called the "City of Mysore Improvement Fund" has been constituted to which the following sums have

to

to be credited -

(1) Such sums as may be placed by Government at the disposal of the Board from time to time.

(2) Such contribution from the Municipal Fund as the Municipal Councillors may, from time to time, be called upon by Government to make on a consideration of the relief or addition to the Municipal resources accruing or likely to accrue as a result of improvement schemes undertaken by the Board.

As a matter of fact, the Municipality contributes very little towards the finances of the Trust Board Under the Bombay Act (Section 72) the Corporation is bound to contribute a lump sum equal to double the amount of the actual net realisations of the Corporation under the head "General Tax" or payments made in lieu thereof, and under Section Government have placed certain properties at the disposal of the Trust, rents and profits derived therefrom being set apart for the use of the Board. These amounts are, of course, supplemented by the Miscellaneous income otherwise derived by the Board In Rangoon also, the Trust Board is financed from the following items -

(1) A fixed contribution of 1 lakh of rupees from the Rangoon Municipality,

(2) Income from a stamp duty of 2 % on transfers of immovable property in Rangoon,

(3) A Terminal tax on all passengers leaving by sea.

Unlike

Unlike other big cities where there is an Improvement Trust Board, notably Bombay and Rangoon, Mysore stands by itself in point of its finances. It has no borrowing power and it gets very little from the local Municipality. The only source from which it can get help is the Government, and if the Government for any reason curtails its grant, as has been the case in recent years, the work of the Trust Board is hampered. Even its own Miscellaneous income has been ordered in some years to be taken credit of towards the fixed Government grant. The result is that the Trust Board is not only handicapped in its work but also works are left sometimes at a stage when they can neither be proceeded with nor completely stopped. If the Trust Board has to maintain its character as a Trust Board created for the improvement and beautification of the City of Mysore, it should be made to stand on its own legs in point of its finances At present it is, in a sense, only the Agent of Government, deputed to work out a certain programme approved by Government with the funds placed at its disposal annually by Government Although the Government cannot, in any sense, be directly liable for the undertakings of the Board, yet ultimately it would be the Government that would have to come to its rescue when the Trust Board is reduced to severe straits Under the existing Regulation, the Trust Board has a statutory status with specific civil rights or liabilities in the eyes of law as any other corporate body created by Statute. The necessity to depend on Government for its existence is inconsistent with the statutory status conferred upon it If particular properties or a definite income is assured to it by law, it will know how it stands finan-

financially and it may also be possible to confer upon it the power to borrow from the public, which power it has not got under the existing Regulation. The present sources of the income of the Trust Board are (a) sale proceeds of lands, buildings and other properties belongint to the Board, realisation - from rents etc, repayments of loans given etc , (b) State grants Both these are of variable and uncertain character as past experience has shown

The average annual income of the Board including the State grants from the commencement to the end of June 1922 has been roughly about 3 50 lakhs. Of this amount, nearly 75,000 formed the income from miscellaneous items. But this latter is not always to be depended upon Taking the triennial programme sanctioned by Government in the Government Order of 30th May 1923 as the standard the Board should have at least 1½ lakhs of rupees every year to work with, as an invariable figure and this amount should be ensured to it. In the first year, however, it will be necessary to fix the total liability of the Boardfor the expenditure to which it has already been committed and provide for discharging it This provision will be in addition to the fixed annual grant that may be made by Government for the operations of the Board Granting that the Trust Board may get roughly about a sum of Rs 20,000 from its miscellaneous sources of income, ways and means have to be found to guarantee the remaining amount for its operations

For this purpose, it may be provided that

(1) all unoccupied vacant lands within the Municipal limits may be leased to the Trust Board for a period of 99 years, as in Mortgage The Trust

Board may make use of these lands for putting up buildings etc., thereon so as to get a definite income therefrom.

(2) A stamp duty of 2½ per cent on transfers of all immovable property in the Municipal precincts may be levied and made over to the Trust Board, as in Rangoon

(3) In my the Dewan's inspection notes of November 1922, he stated that a large income had accrued to the Municipality by the improvement of the Devaraj Market scheme executed by the Trust Board and that the Trust Board gets nothing out of the scheme. It may be provided that the Municipality be asked to hand over to the Trust Board half of their net income from the Market, or a fixed annual sum of Rs. 10 000 The Municipality at present makes roughly about 25,000 a year out of the market.

(b) additional revenues derived by the Municipality from Trust Board works, should be made over to the Trust Board

(4) The Municipal Office is practically a gift to the Municipality from the Trust Board. The Municipality should be made to pay on that account, annually, a reasonable sum equivalent to the yearly rent for that building Perhaps a rent of Rs 300 per mensem may not be unreasonable

(5) The establishment charges of the Trust Board should be reduced considerably so as to limit them to not more than 20,000 a year. One of the directions in which some savings may be effected, is by appointing a capable retired Executive Engineer instead of one in active service, for charge of works ~~on a pay equivalent to the amount of pension drawn by him or at a fixed pay not more than~~

on a pay equivalent to the amount of pension drawn by him or at a fixed pay not more than Rs. 400 per mensem as in Bangalore

The present cost on account of the Executive Engineer is Rs. 8,250 There are 6 Sub Overseers on Rs. 35 to 80, 2 on out-door establishment and 4 on construction and engineering. If the above suggestions of limiting the operations of the Board to an expenditure of about their present cost is approved, it may be possible to reduce the staff of Sub Overseers to one half of its present strength This will effect a saving of about Rs 3,000 a year The total savings for the Engineering staff alone will then be about Rs 6,500 per annum

(6) Steps should also be taken to reduce the Municipal expenditure so as to make the requisite amount available to the Trust Board

(7) It may be provided that a fixed grant not exceeding one lakh of rupees will be given from ~~funds xmakxnx~~ State funds making it clear that should the income of the Trust Board exceed Rs 50,000 in any year, ~~so much of the difference as~~ the state grant will be reduced correspondingly by the ~~amount in excess of~~ income ~~will make the grant will only be given~~ of the Board in excess of 50 000 Rs

It is possible by means such as the above (after proper calculations are made) to assure to the Board a fixed income every year with which to conduct its operations unimpeded by financial considerations of Government It may then be possible to consider the question of conferring upon the Board the power to borrow from the public to fi their productive works

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Points noted for consideration by the Local and Legislative Secretary.	Replies of the Chairman thereto.	Orders by Government.
(a) There should be a technical appellate authority over the action of the Board, preferably the Chief Engineer for irrigation in Mysore to supervise and scrutinise works.	The Chief Engineer is being consulted and important estimates are sent through him. It is desirable to specifically authorise him to inspect works in progress and communicate his advice thereon from time to time.	
(b) No final payments should be made without the consent of the Board.	All payments are made on proper authority and documents are open to Comptroller's inspection. It will lead to inconvenience, if the Board have to pass all final bills, which at least they could check but perfunctorily.	
(c) The Board should have effectual control over the Chairman. (d) The Chairman should have no power to enter into contract without the consent of the Board.	Contracts not exceeding Rs.1,000 can, under Section 10 (1) of the Regulation be entered into by the Chairman, and even these are to be reported to the Board at the following meeting. The procedure calls for no change.	
(e) The awards should only be made by the Chairman with the consent of the Board, in other words if the Board is given the powers of making awards instead of the Chairman, there will be fewer cases going into Court. There is no reason why the Board should not be given this power.	To entrust the Board the duty of making awards would mean investing them with the powers of a Deputy Commissioner under the Land Acquisition Regulation. This will involve their taking all preliminary proceedings under the Regulation including enquiry into claims and other details of each case. The very nature of the work requires that it should be performed by a single officer and not by a body meeting once a month.	

[illegible] materials are to be sold by the Chairman [illegible] private sales. They should be sold by public auction. The consent of the Board should be obtained for accepting the highest bid. No lease or sale of the Trust Board Property should take place without the previous consent of the Board.

To serve as an incentive to dishoused people to willingly vacate their houses and build new houses, materials are sometimes given at upset price to the owners, who remove them in fact at their cost. This practice has been in vogue ever since the Board began to acquire properties and the same has received the approval of Government vide Proceedings No.3347-8/Ml. (60-05)-3, dated 26th September 1905 and No.9550-1/Ml. 365-09-7, dated 23rd/25th April 1920. To sell materials by auction indiscriminately would retard acquisition work and deny to dishoused people a concession which while it is greatly appreciated by them, involves little cost to the Board.

Properties of any considerable value are leased or sold only with the consent of the Board. In ordinary cases such transactions are being reported to the Board at the next meeting. Deviation from the present practice will cause delay and inconvenience to the People.

(g) The Chairman should not have any power to act independently without the previous consent of the Board in making payments of the money awarded in respect of properties acquired in pursuance of a warrant issued by Civil Courts in cases of attachment before judgment as it seems to have been done at present. This is necessary in view of the fact that complications may arise in making illegal payments on the sole responsibility of the Chairman.

Payment of monies attached before judgment is not made till judgments are actually delivered and requisitions are received from court for remittance to pay the parties. The amounts attched will only be withheld from payment till called for.

[illegible] at every monthly meeting of the Board the accounts should be passed by the Board as it is in the case of the Municipality and there should be an audit of the accounts by the members of the Board once in 3 months and by the Comptroller once in six months.	The accounts are being passed by the Board every month, but no great benefit can be expected from the accounts being audited by the Board members. The Comptroller has been auditing the accounts every month and holding through a Gazetted Assistant an annual local inspection of the accounts. If he can arrange for a half-yearly inspection it will be all the better.
(i) The Chief Engineer should inspect the works of the Board once a quarter and his report should be reviewed by the Board.	Vide para (a)
(j) The Board should be made liable for the executive administration. They should have control over the work to be carried out and all payments therefor should be made with the approval of the Board.	. . .
(k) A huge establishment is now maintained. In view of the limited grant made by the Government every year, it is a question for consideration as to whether in place of an Executive Engineer for the Board an Assistant Engineer may not be employed in view of the fact the Chief Engineer will be the controlling authority for him. The establishment charges not come up to about Rs.28,000 while the Government grant is Rs.1,00,000. It may perhaps be desirable to appoint a committee consisting of the Chief Engineer, the Comptroller and the Revenue Commissioner to investigate this question and suggest retrenchments.	The question of establishment has already been dealt with by a committee appointed under Section 9 (3). An Assistant Engineer has been appointed in place of the Executive Engineer and some reductions have been made in the clerical and executive staff. The Board is a deliberative body constituted for the purpose of ensuring the co-operation of officers of several departments concerned with City improvements and enlisting the sympathy of the public. Its very composition precludes the Board undertaking detailed executive functions which naturally and properly appertain to the Charrman, who represents and holds himself responsible for his acts not only to the Board, but also to the Government by whom he is appointed His position is that of a managing director in a commercial organization and not of a

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Un-official Note on points mentioned at page 7 of the Local & Legislative Secretary's Note dated 26th January 1924 on the Trust Board Regulation and its working.

Replies with Chairman.

(a) The Chief Engineer is being consulted, and important estimates are sent through him It is desirable to specifically authorise him to inspect works in progress and communicate his advice thereon from time to time.

(b) All payments are made on proper authority and documents are open to Comptroller's inspection. It will lead to inconvenience, if the Board have to pass all final bills, which at best they could check but perfunctorily.

(c&d) Contracts not exceeding Rs 1,000 can, under Section 10 (1) of the Regulation, be entered into by the Chairman, and even these are to be reported to the Board at the following meeting The procedure calls for no change.

(e) To entrust the Board the duty of making awards would mean investing them with the powers of a Deputy Commissioner under the Land Acquisition Regulation. This will involve their taking all preliminary proceedings under the Regulation including enquiry into claims and other details of each case. The very nature of the work requires that it should be performed by a single officer and not by a body meet'

once a month.

(f) To serve as an incentive to dishoused people to willingly vacate their houses and build new houses, materials are sometimes given at upset price to the owners, who remove them in tact at their cost. This practice has been in vogue ever since the Board began to acquire properties and the same has received the approval of Government vide Proceedings No 3347-S/M1.(60-05)-3 dated 25th September 1905 and No.9550-1/M1 365)09-7 dated 23/25th April 1910. To sell materials by auction indiscriminately would retard acquisition work and deny to dishoused people a concession which while it is greatly appreciated by them, involves little cost to the Board.

Properties of any considerable value are leased or sold only with the consent of the Board. In ordinary cases, such transactions are being reported to the Board at the next meeting Deviation from the present practice will cause delay and inconvenience to the people.

(g) Payment of monies attached before Judgment is not made till Judgments are actually delivered and requisitions are received from Court for remittance to pay the parties. The amounts attached will only be withheld from payment till called for

(h) The accounts are being passed by the Board every month, but no great benefit can be expected from the accounts being audited by the Board members. The Comptroller has been auditing the accounts every month and holding through a Gazetted Assistant an annual local inspection of the accounts. If he

can arrange for a half yearly inspection, it will be all the better.

(i). *Vide* para (a).

(k) The question of establishment has already been dealt with by a Committee appointed under Section 9 (3). An Assistant Engineer has been appointed in place of the Executive Engineer, and some reductions have been made in the clerical and executive Staff.

The Board is a deliberative body constituted for the purpose of ensuring the co-operation of officers of several Departments concerned with City improvements and enlisting the sympathy of the public . Its very composition precludes the Board undertaking detailed executive functions which naturally and properly appertain to the Chairman, who represents and holds himself responsible for his acts not only to the Board, but also to the Government by whom he is appointed. His position is that of a Managing Director in a Commercial organization and not of a Secretary or ministerial subordinate. He must necessarily take the initiative in many matters, as while he obtains the approval of the Board to the general lines of work, and to financial commitments of any magnitude, he must have liberty of action and liberty of anticipating sanction in matters of detail.

Mysore.

8th October 1925.

Chairman.

III draft

Wl 81-24-10

Proceedings of the Government of
His Highness the Maharaja of Mysore

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(1) Government Order No R 6822-8/M1 142-19-1 dated 11th December 1919 reviewing the work of the Mysore City Improvement Trust Board from the commencement and indicating the lines on which the Board should carry on its future programme

(2) Government Order No L 7755-57/M1 68-22-39 dated 29th March 1924, passing orders regarding irregularities and defects noticed during the inspection of the work and registers in the Mysore City Improvement Trust Board

(3) Government Order No L 9924-5/M1 47-23-42 dated 28th June 1924 appointing Mr B S Raghavendra Rao, Assistant Comptroller, as Special Audit Officer, to examine the accounts and registers of the Mysore City Improvemen Trust Board and submit a report to Government through the Comptroller

(4) Letter No L & D 683 dated 1st December 1924 from the Comptroller to Government submitting with his own remarks, Mr Raghavendra Rao's report of audit

(5) Correspondence ending with letter No 1719 dated 11th April 1925

I have gone thro the draft and find that I have no remarks to offer. There were one or two very small typing errors which I have corrected

Arnold
20 7 25

from the Chairman, Mysore City Improvement Trust Board, submitting replies to the various points raised in the Special Auditor's report

Order No 2574-6
Dated 25/7/25

In the first of the orders read above the Government comprehensively reviewed the work of the Mysore City Improvement Trust Board and laid down the lines on which its future programme of operations should be carried on It was observed that although the Trust Board had been conducting their operations for over 15 years and incurred an expenditure of over Rs 52 lakhs, it could not be said that the sanitary condition of the City was all that could be desired, the progress made in regard to housing the poor was not commensurate with the needs of the City, the sewage and drainage works were not complete, and no attempt was made to give house connections and to introduce the flushing system, and the question of maintaining the completed works in an efficient condition did not receive adequate attention It was also noticed that the collection of money due to the Board was not properly attended to, no proper capital and revenue accounts were maintained and that no sort of check was exercised over the correct maintenance of the registers and the execution of works The Chairman was accordingly requested to remedy the defects pointed out above and submit a revised programme of operations for the future In spite of these instructions when Trust Board Office was inspected by the

Dewan in November 1922, it was found that in several instances, the sanctioned estimates had not been adhered to but had been exceeded in the course of execution, no general principles had been followed in making awards and materials had been given away free or at an arbitrary valuation to the owners of properties acquired and no proper account was kept of the materials over which the owners had absolute control, compensation was not paid for years together after the properties were acquired, etc The Efficiency Auditor was thereupon deputed to conduct a detailed audit of the accounts and registers of the Board In passing orders on the Audit report Government in their Order No L 7755-57/ dated 29th March 1924 dealt with all the irregularities brought to notice and ordered that the accounts of the Trust Board should be brought to a state of perfect order at an early date and that the registers should be maintained regularly and methodically so as to ~~exceed~~ exhibit the transactions of the Board correctly as they ~~were~~ are ~~effected~~ effected Notwithstanding repeated instructions of the Government to the contrary, expenditure was incurred by the Board without any regard to available funds, registers were not properly posted and no scrutiny over works and expend was exercised by the superior office of the Board In these circumstances Government, in their Order No L [illegible] dated 28th June 1924 [illegible]

Mr B S Raghavendra Rao, Assistant Comptroller, as Special Audit Officer, to thoroughly scrutinise the registers maintained by the Board, the programme of acquisition, estimates for the works the finances of the Board and the constitution and working of the Trust Board Regulation and submit a detailed report within three months This report was received through the Comptroller on the 7th December 1924 It is made up of two sections -- Section A deals with the defects noticed in the execution of works generally, preparation of estimates, acquisition of properties, finances of the Board, and suggestions for the revision of the Trust Board Regulation, and Section B ~~refers to~~ deals with the irregularities noticed in the maintenance of registers and forms and the execution of some of the more important major works On the report being forwarded to the Chairman of the Trust Board for remarks, that officer has given detailed explanation on the several points raised by the Auditor and has stated generally that for some time past, and more especially after the receipt of orders from Government as a result of the Dewan's inspection in November 1922, every attempt has been made to clear the arrears and to systematise the work, and that substantial progress has been made in regard to the important points referred to by the Auditor, and that it will take some time before the work is brought up to date

3 The Minor irregularities brought to notice by the Auditor have already been communicated to the Chairman of the Trust Board for rectification and no further orders are called for on them.

The main defects in regard to works fall under the following heads -

(a) The {C} Registers have not been ~~minutes~~ posted correctly for years ~~to come~~. together

(b) Works were undertaken without estimates and works not including ~~in~~ included in the estimates have also been executed.

(c) For some works fresh estimates were got sanctioned without reference to original estimates and the outlay was charged to any one of them.

(d) Maintenance and repair estimates were charged to original estimates.

4 With reference to these, the Chairman states that the defects pointed out are more exceptional than normal He however admits that {C} Registers do show some of the defects pointed out but it is misleading to represent them as the normal feature of the Board's methods He explains that the opportunity for these mistakes was afforded by the fact that completed works were not closed and superseded estimates ~~primarily~~ promptly revised for many years He states that the estimates are being revised and brought up to date so that in future there should be less probability of the recurrence of the mistakes ~~pointed out~~ referred to by the audit officer Government hope that all

estimates in operation will be expedited and the C. Registers posted up with proper authority The Chairman also reports that effect is being given to the order of Government to close bulkier estimates which are out of date, with the result that there are now only 12 estimates aggregating Rs 4 5 lakhs A list of these should be submitted with ~~remarks~~ explanation showing how they are proposed to be completely executed and within what period It has been brought to notice that there is considerable delay in payment of compensation where awards have been passed and that the Board has failed in certain instances to adhere to the programme Government have already issued necessary instructions in this matter in their order No L.7755-57 dated 29th March 1924 on similar defects pointed out by the Efficiency Audit Department As regards the objections made to acquisitions by mutual consent, the Chairman states that this method is fully recognised by the Regulation and is indispensable in emergent circumstances Government consider it sufficient to state that the instructions conveyed in their order of 29th March 1924 in this respect should be strictly followed in future

5 The Audit Officer has referred in detail to the defects noticed by him in the maintenance of proper registers under several heads and how they should be rectified It is needless to emphasise the imperative necessity to maintain a complete set of registers so as to give all requisite information under proper

columns The omission to do this in the past has been the cause of so much confusion in the accounts and transactions of the Trust Board All transactions relating specially to acquisition and demolition of property, sale of materials, compensation, rent and disposals otherwise than by sale, etc , should be readily perceptible from these registers and no time should be lost in prescribing proper registers with appropriate columns indicating all necessary details regarding the matters referred to above The Comptrolle is requested to go into this question and submit, in consultation with the Chairman, proposals for the approval of Government

6 Many of the suggestions made by the Special Audit Officer have already been accepted by the Chairman of the Trust Board and it is not necessary to pass elaborate orders on them

7 The principal sources of the income of the Board consist of the annual Government grant and Rs. 50,000 from items specified in paragraph 48 of the Spl audit officers report It is necessary that all available resources of the Board should be fully safeguarded and therefore revenue audit conducted once every quarter A report of such audit showing demand, collection and balance should be submitted to Government once every quarter on the 10th of the 1st month of the succeeding quarter

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The Special Audit Officer has also made certain suggestions in regard to the retrenchment of expenditure The Chairman reports that he has already taken steps to effect some reductions to the extent of Rs.586 per month, one of which is the appointment of an Assistant Engineer in place of the Executive Engineer, and considers that no further reduction is possible in the permanent establishment The Comptroller, however, is of opinion that when an Assistant Engineer is appointed as the chief Engineer officer of the Board and the Chairman does not happen to be a technical officer, the Board may include in it an Executive Engineer who may be asked to give expert advice to the Board, to counter sign work bills and to check final bills, if need be, on payment of a suitable allowance The Board is requested to examine this aspect of the question and take suitable action thereon

(9) The Audit Officer has also made certain suggestions for a change in the existing constitution of the Board The Government ~~at present~~ however accept the view of the Chairman that there is no immediate need for any change

(10) The ~~explanation~~ reply of the Chairman ~~on~~ to the ~~[illegible]~~ major irregularities ~~pointed out~~ in regard to the maintenance of several registers, estimates sanctioned, works executed and expenditure incurred thereon, and acquisition proceedings, will be forwarded to the Comptroller for ~~favour of~~ further scrutiny and being dealt with by him in the ordinary course

11) Government consider that the activities of the Trust Board should not be directed mainly to beautifying the City and that equal attention should be paid to the improvement of the condition of the poorer classes in the slum areas, and for providing suitable habitation to the displaced population. An adequate amount of the resources of the Board should be allotted for this purpose and the measures for relieving congestion and provision of better water and drainage and other facilities for the poor should be undertaken as an important part of the Board's duties under a definite programme The Chairman is requested now to submit a revised programme of ~~important~~ improvement works, classing them under (1) productive ~~or~~ self-supporting, and (2) unremunerative but urgent, for a period of 3 years, to enable Government to see how it is a feasible one having regard to the total amount available and what can be spent out of it within the period

12) Government ~~must~~ note the good work done by Mr B.S Raghavendra Rao in connection with his audit of the Trust Board accounts

Secy to Govt.,
L & L. Deptts

To The Chairman, Trust